

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

CALEPA HEADQUARTERS
BYRON SHER AUDITORIUM
SECOND FLOOR
1001 I STREET
SACRAMENTO, CALIFORNIA

THURSDAY, DECEMBER 13, 2018
9:15 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

Ms. Mary Nichols, Chair
Ms. Sandra Berg, Vice Chair
Dr. John Balmes
Hector De La Torre
Mr. John Eisenhut
Senator Dean Florez
Assembly Member Eduardo Garcia
Ms. Judy Mitchell
Mrs. Barbara Riordan
Supervisor Ron Roberts
Supervisor Phil Serna
Dr. Alexander Sherriffs
Professor Dan Sperling
Ms. Diane Takvorian

STAFF:

Mr. Richard Corey, Executive Officer
Ms. Edie Chang, Deputy Executive Officer
Mr. Steve Cliff, Deputy Executive Officer
Mr. Kurt Karperos, Deputy Executive Officer
Ms. Ellen Peter, Chief Counsel
Ms. Emily Wimberger, Chief Economist
Ms. Veronica Eady, Assistant Executive Officer

A P P E A R A N C E S C O N T I N U E D

STAFF:

Ms. La Ronda Bowen, Ombudsman

Mr. Gerhard Achtelik, Manager, Advanced Clean Cars Branch,
Emission Compliance, Automotive Regulations and Science
Division(ECARS)

Ms. Brieanne Aguila, Branch Chief, Program Planning and
Management Branch, Industrial Strategies Division(ISD)

Mr. Michael Benjamin, Division Chief, Air Quality Planning
and Science Division(AQPSD)

Ms. Analisa Bevan, Assistant Division Chief, ECARS

Mr. Ben Carrier, Attorney, Legal Office

Mr. Dave Edwards, Assistant Division Chief, AQPSD

Mr. Rhead Enion, Senior Attorney, Legal Office

Mr. Jason Gray, Branch Chief, Climate Change Program
Evaluation Branch, ISD

Ms. Alexandra Kamel, Attorney, Legal Office

Ms. Elise Keddie, Manager, ZEV Implementation Section,
ECARS

Ms. Elizabeth Melgoza, Air Pollution Specialist, Central
Valley Air Quality Planning Section, AQPSD

Mr. Rajinder Sahota, Assistant Division Chief, ISD

Ms. Abajh Singh, Air Pollution Specialist, Emission and
Data Quality Assurance Section, ISD

Mr. Mark Sippola, Manager, Program Development Section,
ISD

Mr. Webster Tasat, Manager, Central Valley Air Quality
Planning Section, AQPSD

Ms. Sylvia Vanderspek, Branch Chief, Air Quality Planning
Branch, AQPSD

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Floyd Vergara, Division Chief, ISD

Mr. Daniel Whitney, Senior Attorney, Legal Office

Mr. Mark Williams, Air Pollution Specialist, ZEV
Implementation Section, ECARS

ALSO PRESENT:

Bishop Lovester Adams, Baptist Ministers Conference of Los
Angeles

Mr. Reed Addis, Valley Clean Air Now

Mr. Will Barrett, American Lung Association

Mr. Terry Bassett, Yolo Bus

Ms. Susie Berlin, Northern California Power Agency, Golden
State Power Cooperative

Mr. Brian Biering, Turlock Irrigation District

Mr. Steve Bloch, ABB

Mr. Bill Boyce, Sacramento Municipal Utility District

Mr. Tony Brunello, EV Box

Mr. Abdellah Cherkaoui, Volta

Mr. Josh Cohen, SemaConnect

Mr. Peter Cooper, Lucid Motors

Mr. Danny Cullenward, Near Zero

Mr. Manuel Cunha, Jr., Nisei Farmers League

Ms. Tanya DeRivi, Southern California Public Power
Authority

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Matt Dessert, Imperial County Air Pollution Control District

Mr. Matt Dulich, University of California, Davis

Mr. Joel Espino, Greenlining Institute

Ms. Anna Fero, Paul Hastings

Mr. Luis Flores, Mexicali, Baja California

Mr. Simeon Gant, GreenTech

Mr. Johnny Garcia

Mr. Juan Garcia, PG Cutting Services

Ms. Hannah Goldsmith, California Electric Transportation Coalition

Ms. Jennifer Gress, Office of Sacramento Mayor Darrell Steinberg

Mr. Matthew Hargrove, California Business Properties Association

Mr. Jarett Hausske, Eleven, Inc.

Mr. Brian Henderson

Ms. Lois Henry, BizFed Central Valley

Mr. Paul Hernandez, Envoy Technologies

Ms. Ashey Horvat, Greenlots

Ms. Obrie Hostetter, Hsubject, Inc.

Mr. Alex Jackson, Natura Resources Defense Council

Ms. Lourdes Jimenez, San Diego Gas and Electric

Ms. Michelle Kaus, BrixMor

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Mr. Konrad Konczeuski, BTCPower

Mr. Mark Krausse, Pacific Gas and Electric

Mr. Minh Le, City of Los Angeles

Mr. Lloyd Levine, Sacramento Electric Vehicle Association,
Sacramento Plug-In Vehicle Collaborative

Ms. Maryline Lewett, Black and Veatch

Mr. Bill Magavern, Coalition for Clean Air

Mr. Paul Maggay, SoCalGas

Ms. Eva Maina, Assembly Member Kevin McCarty

Ms. Xavier Maltese, AAA

Ms. Ayaka Matsuo, Marubeni

Mr. Frank Meza, BTCPower

Mr. Matt McClory, Toyota

Ms. Casey McFall, Self-Help for the Elderly

Mr. Mark McLanahan, MaxGen

Mr. Derek Middleton, Innogy

Mr. Luis Olmedo, Comite Civico Del Valley

Ms. Danielle Osborn Mills, American Wind Energy
Association

Mr. Max Perry, City of Long Beach

Mr. Michael Pimentel, City of Los Angeles Mayor's Office

Ms. Sara Rafalson, EVgo

Ms. Angelina Rahimi, Franklin Neighborhood Development
Corporation

A P P E A R A N C E S C O N T I N U E D

ALSO PRESENT:

Ms. Jessica Rhodes, 3fold Communications

Mr. Judy Robinson, County of Sacramento

Mr. Katelyn Roedner Sutter, Environmental Defense Fund

Ms. Ellah Ronen, LA n Sync

Mr. Spencer Saks, The Gualco Group

Ms. Phoebe Seaton, Leadership Counsel for Justice and Accountability

Mr. Jeffrey Serfass, California Hydrogen Business Council

Mr. Michael Shaw, California Manufacturers and Technology Association

Ms. Robin Shropshire, Panoche Energy Center

Ms. Anne Smart, ChargePoint

Ms. Stephanie Tsai, Climate Justice Program Association

Mr. Timothy Tutt, Sacramento Municipal Utility District

Ms. Iris Verduzco, Urban and Environmental Policy Institute

Mr. Steven Wallauch, Platinum Advisors

Mr. Peter Weiner, Paul Hastings

Ms. Emily Weissinger, Ramboll

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P R O C E E D I N G S

VICE CHAIR BERG: Good morning, everyone. Chair Nichols along with a couple of other of our Board members are making their way in. I understand there is an accident on the 5 freeway, so we're going to go ahead and just get started, and then welcome them. And the meeting will, of course, then be turned over to Chair Nichols.

So good morning the December 13th, 2018 public meeting of the California Air Resources Board will come to order. And we will start the meeting with the Pledge of Allegiance.

(Thereupon the Pledge of Allegiance was Recited in unison.)

VICE CHAIR BERG: And if I can have the clerk call the roll, please.

BOARD CLERK DAVIS: Dr. Balmes?

BOARD MEMBER BALMES: Here.

BOARD CLERK DAVIS: Mr. De La Torre?

BOARD MEMBER DE LA TORRE: Here.

BOARD CLERK DAVIS: Mr. Eisenhut?

BOARD MEMBER EISENHUT: Here.

BOARD CLERK DAVIS: Senator Florez?

Assembly Member Garcia?

Supervisor Gioia?

Senator Lara?

1 Ms. Mitchell?

2 BOARD MEMBER MITCHELL: Here.

3 BOARD CLERK DAVIS: Mrs. Riordan?

4 BOARD MEMBER RIORDAN: Here.

5 BOARD CLERK DAVIS: Supervisor Roberts?

6 BOARD MEMBER ROBERTS: Here.

7 BOARD CLERK DAVIS: Supervisor Serna?

8 BOARD MEMBER SERNA: Here.

9 BOARD CLERK DAVIS: Dr. Sherriffs?

10 BOARD MEMBER SHERRIFFS: Here.

11 BOARD CLERK DAVIS: Professor Sperling?

12 BOARD MEMBER SPERLING: Here.

13 BOARD CLERK DAVIS: Ms. Takvorian?

14 Vice Chair Berg?

15 VICE CHAIR BERG: Here.

16 BOARD CLERK DAVIS: Chair Nichols?

17 CHAIR NICHOLS: Here.

18 (Laughter.)

19 BOARD CLERK DAVIS: Madam Chair, we have a
20 quorum.

21 VICE CHAIR BERG: Well, welcome.

22 CHAIR NICHOLS: Thank you.

23 VICE CHAIR BERG: And especially since you're
24 just getting back from your trip to Prague and the
25 climate.

1 CHAIR NICHOLS: I wish it had been Prague It was
2 not Prague. It was Katowice, Poland, a city where people
3 still burn soft coal mixed with garbage to heat their
4 homes. This is a way of life in a number of cities in
5 Poland. And one of the opportunities I had on this trip
6 was to meet with the representative of an organization
7 that's working hard on air pollution, as well as climate
8 issues in Poland. And they're still struggling to convert
9 a society where many, many people live in essentially
10 uninsulated homes, and have this horrible quality of fuel.
11 You step off the plane in Katowice and you just -- you can
12 smell the coal smoke. It's quite something. But I know
13 we're not scheduled to have a report on my trip to Poland
14 this morning, but --

15 (Laughter.)

16 VICE CHAIR BERG: No, but we're grateful the fact
17 that you got off a plane late last night. And we have a
18 two-day Board meeting. And so great to have you here safe
19 and sound.

20 CHAIR NICHOLS: Thank you very much.

21 VICE CHAIR BERG: We're just starting the opening
22 remarks, and shall I finish that up for you, and let
23 you --

24 CHAIR NICHOLS: Sure, why don't you go ahead --
25 why don't you go ahead and do that, please.

1 VICE CHAIR BERG: Okay. Great. So we do have
2 some opening remarks this morning. Interpretation
3 services will be provided today in Spanish for Item number
4 18-10-6, the Proposed Amendments to the Regulation for the
5 Mandatory Reporting of the Greenhouse Gas Emissions, along
6 with item number 18-10-7, Proposed Amendments to the
7 California Cap-and-Trade Greenhouse Gas Emissions and the
8 Market Based Compliant Mechanism Regulation, and 18-4 --
9 I'm sorry, 18-10-4, the PM10 State Implementation Plan for
10 Imperial County. Headsets are available outside of the
11 hearing room at the attendant sign-up table and can be
12 picked up any time.

13 And we will have our translator also translate
14 that in Spanish.

15 (Thereupon the interpreter translated
16 in Spanish.)

17 VICE CHAIR BERG: Muchas gracias.

18 For safety reasons, please note the emergency
19 exits are to the rear of the room. In the event of a fire
20 alarm, we are required to evacuate this room immediately,
21 go downstairs, and out of the building. When the
22 all-clear signal is given, we will return to the hearing
23 room and resume our hearing.

24 One other safety announcement, many of you travel
25 and bring your bags in with you, which is great. We

1 appreciate you being here. But for safety reasons, we
2 need you to keep your bags with you so that our safety
3 officers will know that they belong to people.

4 And finally, anyone who wishes to testify should
5 fill out a request-to-speak card also available in the
6 lobby outside of the Board room. Please turn that into
7 the Board Assistant Clerk of the Board, prior to the
8 commencement of the item. Speakers we will have a
9 three-minute time limit. And please state your first and
10 last name, as you're coming up to the podium. Both sides
11 of this podiums are being used today. Put your testimony
12 in your own words, because it's really easier for us to
13 follow along your line thinking, as well as we do get your
14 written comments.

15 And with that, then I will turn the meeting over
16 to Chair Nichols.

17 CHAIR NICHOLS: Thank you so much Vice Chair
18 Berg. I think they've added a new line to this script
19 about taking the bags with you. This is a change.

20 (Laughter.)

21 CHAIR NICHOLS: Okay. Great. Nice to know that
22 we can be flexible and improve.

23 We have one consent item on our agenda this
24 morning. That is the Proposed Revision to the South Coast
25 One-Hour Ozone State Implementation Plan. I'd like to ask

1 the clerk if any witnesses have signed up to testify on
2 this item?

3 BOARD CLERK DAVIS: (Shakes head.)

4 CHAIR NICHOLS: They have not.

5 Okay. Are there any Board members who would like
6 to see this item removed from the consent calendar?

7 Seeing none.

8 We can close the record, and I will ask if all
9 the Board members have had an opportunity to review this
10 resolution, and if so, may I have a motion and a second.

11 BOARD MEMBER SERNA: Move the item.

12 BOARD MEMBER SHERRIFFS: Second.

13 CHAIR NICHOLS: Thank you very much.

14 All in favor please say aye?

15 (Unanimous aye vote.)

16 CHAIR NICHOLS: Any opposed?

17 Great. Well, our first item of business is done.

18 Now, for the second item, which is an unscheduled
19 item, it's impossible to resist the opportunity to
20 embarrass one of our fellow Board members, who has
21 received so many resolutions and accolades. I follow him
22 on Twitter, so I know that he's spent at least the last
23 month making the rounds of San Diego, and being --
24 receiving accolades from many, many quarters for his long
25 career in public service. And we cannot possibly resist

1 the opportunity to join in that.

2 I personally have benefited from his occasional
3 criticisms, and from his occasional good suggestions as
4 well about how we could improve our operations here. But
5 more importantly, I have really enjoyed and benefited from
6 watching him work as a local elected official and a member
7 of this Board.

8 So I'm going to read the resolution that has been
9 drafted. And this is on behalf of all of us, of course.

10 And I will start from the top.

11 "Whereas, after 20 years of a successful career
12 in architecture, Ron Roberts embarked upon career in
13 public service that has spanned more than three decades.

14 "Whereas, in 1987, Ron was elected to the San
15 Diego City Council, and in 1994 to the San Diego County
16 Board of Supervisors, where he has served the 4th District
17 with great distinction.

18 "Whereas, during this time, Ron has personally
19 spearheaded, through savvy, skill, commitment, and
20 dedication, enumerable efforts that have benefited his
21 constituents, San Diegans, and all Californians.

22 "Whereas, for decades, Ron has worked to improve
23 public health, especially among underprivileged youth,
24 through a range of initiatives including Fit to Learn, Fit
25 for Life, the San Diego County Childhood Obesity

1 Initiative, Healthy Works, and the creation of Linda Vista
2 Boys and Girls Club, and the Pro Kids Golf Academy and
3 Learning Center.

4 "Whereas, for 19 years, Ron led "Mowing Down
5 Pollution", the State's most successful annual lawn mower
6 and lawn equipment exchange program that has replaced
7 nearly 10,000 pieces of dirty equipment with clean
8 zero-emission alternatives, resulting in the elimination
9 of tons of air pollution in San Diego.

10 "Whereas, Ron's leadership has been instrumental
11 to the expansion of cleaner mobility options throughout
12 the San Diego, including developing new trolley lines, the
13 acquisition of buses that operate on renewable fuels, and
14 last mile transit connections.

15 "Whereas, in 1995, Ron Roberts was appointed by
16 Governor Pete Wilson to the California Air Resources
17 Board, where he has served with great distinction for 23
18 years helping to lead the development of innovative and
19 effective ways to reduce air pollution.

20 "Whereas, in addition to his service on the
21 California Air Resources Board, Ron ably served on the
22 Boards of the San Diego Air Pollution Control District,
23 the San Diego Metropolitan Transit System, the San Diego
24 Housing Authority, the San Diego Workforce Partnership,
25 and the San Diego Association of Governments.

1 "Whereas, Ron has received numerous awards for
2 his public service efforts, including the Home Aid
3 Humanitarian Award, the American Society of Landscape
4 Architect Stewardship Award, and the Distinguished
5 National Public Transportation Award from the American
6 Transportation Association, and,

7 "Whereas, Ron and his wife live in the same
8 Mission Hills home they built more than 50 years ago. He
9 and Helene are proud parents of three daughters and three
10 grandchildren.

11 "While not working in the public interest, Ron
12 can be found rooting for his beloved San Diego Padres,
13 cruising the aisles at Costco, where most employees know
14 him by name, grabbing a bite to eat at Jack in the Box, or
15 listening to his extensive music collection, including Bob
16 Marley among his favorites".

17 I knew you were a good man.

18 (Laughter.)

19 CHAIR NICHOLS: "Now therefore, be it resolved,
20 that the Board and staff of the California Air Resources
21 Board acknowledge and thank Supervisor Ron Roberts for his
22 important and enduring contributions to carrying out the
23 CARB mission, and for his tireless leadership to protect
24 and improve air quality and public health for all citizens
25 of California".

1 Ron, I know you need another resolution like
2 this, because you have a few walls that may not be 100
3 percent covered with them.

4 But in all seriousness, it's all that we can do,
5 other than personally just to extend to you our
6 congratulations and gratitude for your great work on this
7 Board.

8 So thank you so much.

9 (Applause.)

10 CHAIR NICHOLS: And please, you may say a few
11 words. Yes, you may.

12 BOARD MEMBER ROBERTS: I won't be too lengthy.
13 But it's too late for me to fire the staff person who
14 helped you write this.

15 (Laughter.)

16 BOARD MEMBER ROBERTS: As I'd have to give him
17 two weeks notice and that would cover him.

18 I've been here for a long time. I've seen
19 enormous changes. And I would tell you all for the good.
20 This has been just something I've done with pride and with
21 passion. And, yes, we're proud of our lawn mower trade-in
22 program.

23 (Laughter.)

24 BOARD MEMBER ROBERTS: You know, I've been trying
25 to convince at least one of my colleagues that they've got

1 to take that over and keep it going, because it -- it's
2 successful because you have to promote it. You can't just
3 announce you're going to do it. But that's like a small
4 item. And I think the importance of that is that it helps
5 to inform people and drive home the message. There are
6 things we can do that might even seem awfully small, but
7 it creates that ethic of focusing on how do we make the
8 quality there better and how do we reduce greenhouse gas?

9 These are things that all of us believe in. We
10 may have different ways of going about it. I won't
11 mention the black automobile fiasco that we went through.

12 (Laughter.)

13 BOARD MEMBER ROBERTS: But sometimes we hit a
14 bump and we recognize that we have to do it different.
15 One of the most difficult things I think we were faced
16 with on this Board in all the years I've been on is when
17 we realized the electric car mandate wasn't supported by
18 very good battery technologies in electric cars, and we
19 had to postpone it. And we were heavily criticized. I
20 have a recording of who killed the electric car.

21 Of course, we were blamed for that. The electric
22 car is alive and thriving. And I'm sure everybody here
23 knows that, so -- but you've got to take that kind of
24 criticism at times, even though in the end we know it --
25 it's brought us out right.

1 Lincoln said years ago if at the end it doesn't
2 come out right, even a choir off angels singing your
3 praises won't help you.

4 (Laughter.)

5 BOARD MEMBER ROBERTS: That came out right. It
6 was the right thing to do. I had friend of mine who had
7 the very first General Motors -- if you remember, it was
8 called the Impact, until they realized the insurance
9 companies didn't like that name, Impact, for a car --

10 (Laughter.)

11 BOARD MEMBER ROBERTS: -- and they changed it to
12 EV 1.

13 CHAIR NICHOLS: Right.

14 BOARD MEMBER ROBERTS: And he became the first
15 person in the nation, as a surprise to him, to get his EV
16 1. And the car -- he was so embarrassed that he -- it
17 hardly would run. He got a second one, so that nobody
18 would notice that the first one was in the garage most of
19 the time.

20 (Laughter.)

21 BOARD MEMBER ROBERTS: That is what we were faced
22 with. And I think it's -- you know, I think it, in some
23 ways, is typical. There are times when things don't work
24 and you have to be willing to make adjustments, and say,
25 okay, let's have a course correction, and let's do

1 something a little different. Fortunately, those have not
2 been often.

3 I think my greatest joy was -- here was coming to
4 a meeting when the staff we were talking about diesel, and
5 as diesel being a toxic contaminant, but nobody wanted to
6 really say that in a firm way. It was a woman from Los
7 Angeles who also served on the Board, at that time Lynne
8 Ethridge -- Es -- anyway. Lynne was here, and before the
9 meeting we had kind of agreed why don't we push this a
10 little bit. And to the surprise of the staff, we actually
11 declared diesel to be a toxic contaminant at a meeting
12 where nobody was thinking that that's what we were going
13 to be doing. It needed doing. Probably still needs doing
14 and reinforcing.

15 But I just mention these things as highlights.
16 This Board and the staff has done an incredible job.
17 You've been open to listening to people. You know, we've
18 had issues. We've tried to work with people. We've tried
19 to work with organizations. You want to achieve goals,
20 but you don't -- and, you know, you shouldn't take pride
21 in destroying anybody in getting there. There will be
22 people who disagree, and will -- you know, will maybe feel
23 differently about that.

24 But I -- I think it's important to keep a -- you
25 know, a truly wide perspective, always try to do the right

1 thing and make sure that each year we're making
2 improvements, and we'll get there. As a state, we're -- I
3 can you I just returned from China. We had discussions
4 about some of the things we're doing with some high
5 ranking officials there. We're providing assistance, as
6 many of you know in so many ways, and I've never seen the
7 air cleaner in Beijing when I was there just a couple
8 months ago. I've never ever seen it that -- now, I
9 don't -- it's not all over with. You know, and you see
10 the products of their regulations all over.

11 They're doing an awful lot. They're not there
12 yet, but you know that we have, in a sense, had a hand in
13 that.

14 So thank you for tolerating me, Madam
15 Chairwoman --

16 (Laughter.)

17 BOARD MEMBER ROBERTS: -- and the rest of you.
18 And I -- honestly, you'll hear me rooting for you and
19 cheering. We want you to succeed.

20 Thank you.

21 CHAIR NICHOLS: Thank you so much.

22 (Applause.)

23 CHAIR NICHOLS: Now, in some places, that might
24 be, you know, prelude to adjournment. But instead, it's a
25 rallying cry to get to work, because we have an agenda and

1 some work to be done.

2 So let us start -- we will know, I think,
3 hopefully at least convince you to stick around and have a
4 piece of cake when we have a chance at the break.

5 There's -- next item on our agenda is a
6 continuation of an item from the November Board meeting.
7 At that meeting, CARB staff presented Volkswagen
8 subsidiary Electrify America's Proposed Cycle 2
9 Zero-Emission Vehicle, or ZEV, Investment Plan, and their
10 assessment of how well the plan aligns with the
11 requirements of Appendix C of the Volkswagen 2.0 liter
12 partial consent decree, and with Senate Bill 92, and Board
13 Resolution 17-23.

14 So after a short staff presentation and
15 discussion, we will move towards a resolution to approve
16 or disapprove, in whole or in part, the proposed Cycle 2
17 plan consistent with the requirements of the consent
18 decree.

19 Mr. Corey, would you please introduce this item?

20 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

21 As you noted, last month staff summarized key
22 provisions of the proposed Cycle 2 plan, and provided an
23 assessment of how well the plan aligns with the
24 requirements set forth in Appendix C of the Volkswagen 2.0
25 liter partial consent decree and its consistency with

1 Senate bill 92, and Board Resolution 17-23. And as you
2 noted, last month, the Board did not take action but
3 agreed to -- for further discussion.

4 So last week, staff conducted a meeting with
5 interested stakeholders to gather feedback informing
6 staff's next report to the Board on the Electrify
7 America's progress towards achieving the objectives of the
8 consent decree. So in addition to providing a short
9 summary of the proposed Cycle 2 plan, staff will summarize
10 comments heard at the stakeholder meeting.

11 With that, I'll now ask Mark Williams of the
12 Emission Compliance, Automotive Regulations and Science
13 Division to give the staff presentation.

14 Mark.

15 (Thereupon an overhead presentation was
16 presented as follows.)

17 AIR POLLUTION SPECIALIST WILLIAMS: Thank you,
18 Mr. Corey. Good morning Chair Nichols and members of the
19 Board.

20 Today, I will review the 2.0 liter consent
21 decree, the ZEV investment commitment, which is contained
22 in Appendix C of the consent decree, and is designed to
23 address the impact to California's zero-emission vehicle
24 market and the Cycle 1 plan. I will then provide an
25 update on the Cycle 1 plan investment and a summary of the

1 proposed Cycle 2 plan, including a staff assessment of how
2 the proposed Cycle 2 plan aligns with the requirements of
3 the consent decree. I will also summarize comments
4 received during our December 7th, 2018 stakeholder
5 meeting. I will then present staff's recommendation to
6 the Board.

7 --o0o--

8 AIR POLLUTION SPECIALIST WILLIAMS: On October
9 25th, 2016, the United States District Court for the
10 Northern District of California approved a 2.0 liter
11 partial consent decree between CARB, Volkswagen, or VW,
12 and the United States Department of Justice. There are
13 four elements of the consent decree each described in a
14 separate appendix.

15 Appendices A and B are considered punitive
16 measures and address consumer issues in noncompliant
17 vehicles. Appendix D is also considered a punitive
18 measure and ensures that the emissions caused by the
19 noncompliant vehicles are mitigated. As part of the final
20 settlement, but separate from, and in addition to, the 2.0
21 liter consent decrease and these punitive appendices,
22 penalties were also levied.

23 That brings me to Appendix C, which is also known
24 as the ZEV Investment Commitment. Appendix C is not
25 punitive, but is instead intended to address VW's impact

1 to California's ZEV market by requiring VW to accelerate
2 its ZEV market investments in California to support
3 increased ZEV availability and use in the state, a total
4 of \$800 million over ten years.

5 There are four categories of allowable
6 investments: ZEV infrastructure, public awareness, and
7 increasing ZEV access partially through the establishment
8 of green cities.

9 Volkswagen created a subsidiary, Electrify
10 America, to carry out the Appendix C investments.

11 --o0o--

12 AIR POLLUTION SPECIALIST WILLIAMS: At its July
13 27th, 2017 Board meeting, the Board approved Electrify
14 America's first \$200 million ZEV investment plan, the
15 Cycle 1 plan -- the Cycle 1 plan, which committed:

16 \$120 million for corridor charging stations along
17 highways and metro area charging in Fresno, Los Angeles,
18 Sacramento, San Francisco, San Diego, and San Jose; \$44
19 million for Green City initiatives like ZEV car sharing,
20 ZEV transit and taxi fleets, and ZEV delivery fleets all
21 in Sacramento, to improve access to clean transportation
22 options, especially for low-income and disadvantaged
23 community members; \$20 million for ZEV awareness
24 activities; and, up to \$16 million for allowable
25 operational expenses.

1 I'd now like to provide a brief update on
2 Electrify America's progress on the Cycle 1 plan. The
3 next two slides are from our November Board hearing. Mr.
4 Giovanni Palazzo, CEO of Electrify America, will provide
5 the Board an updated review of Cycle 1 progress
6 immediately following my presentation.

7 --o0o--

8 AIR POLLUTION SPECIALIST WILLIAMS: This graphic
9 shows the status of Electrify America's ultra-fast
10 charging station sites in California. As you can see from
11 the top row, 110 sites have been licensed or leased, 63
12 are in the permitting process, 19 have been permitted, and
13 the site work is complete on five, three of which are now
14 operational.

15 The bottom row reflects Electrify America's
16 assessment that low-income and disadvantaged community
17 sites represent more than 50 percent of the total projects
18 at each stage of the site development process.

19 --o0o--

20 AIR POLLUTION SPECIALIST WILLIAMS: Additionally,
21 Electrify America has ordered 600 fast chargers, and the
22 first nine have been delivered to their sites. In
23 addition to fast charging, Electrify America is installing
24 Level 2, or 240 volt, infrastructure. Sixty-four Level 2
25 sites been acquired and three are operational, two of

1 which are located in disadvantaged communities.

2 Each of Electrify America's Level 2 vendors is
3 contractually obligated to install 35 percent of its Level
4 2s in low-income and disadvantaged communities.

5 That brings me to the Green City Initiative in
6 Sacramento. The Sacramento City Council has approved
7 permits for the Gig free float car share program and 260
8 Chevy Bolt EVs have been ordered by Gig.

9 The Envoy car share program, which will
10 ultimately be situated in 72 multi-unit dwellings in the
11 Sacramento area has initiated permitting at 30 locations.
12 And the first Level 2 unit has been installed at Creekside
13 Village in South Sacramento.

14 Finally, 12 EV charging site leases have been
15 signed to support the car share vehicles.

16 On the education and outreach front, Electrify
17 America's California media campaign has targeted almost
18 4,000 disadvantaged community census tracts, approximately
19 half of all census tracts in California.

20 --o0o--

21 AIR POLLUTION SPECIALIST WILLIAMS: Now, I will
22 turn to summarizing the Cycle 2 investment plan as
23 proposed by Electrify America. The proposed Cycle 2 plan
24 would provide \$153 million for fueling infrastructure, \$17
25 million for ZEV awareness and education, \$10 million for

1 marketing efforts to drive station utilization, and up to
2 \$20 million for allowable operational expenses.

3 Let's take a closer look at these investment
4 proposals.

5 --o0o--

6 AIR POLLUTION SPECIALIST WILLIAMS: Ninety-five
7 to 115 million dollars would go toward metropolitan
8 community charging, including in three new communities:
9 Riverside/San Bernardino, Santa Cruz/Watsonville, and
10 Santa Rosa. Academic research cited in Electrify
11 America's proposed Cycle 2 plan reflects that the nine
12 metropolitan communities selected represent approximately
13 80 percent of California's population, and are projected
14 to account for 89 percent of California's 2022 battery
15 electric vehicle population.

16 --o0o--

17 AIR POLLUTION SPECIALIST WILLIAMS: Twenty-five
18 to thirty million dollars would go toward increasing
19 charging equipment density along those highways and
20 regional routes identified by Electrify America as having
21 the greatest expected plug-in electric growing.

22 This would include building out infrastructure in
23 northern San Joaquin Valley and adjacent mountain
24 communities, California's Central Coast, and the Inland
25 Empire.

--o0o--

AIR POLLUTION SPECIALIST WILLIAMS: Electrify America also proposes innovative infrastructure investments first in:

Level 2 home chargers, 2,500 to 3,300 zero money down units, including installation, and the development of an incentive web tool targeted toward low-income car buyers.

Second, transit charging infrastructure. They will identify opportunities to support zero-emission buses and shuttles.

Third autonomous vehicle charging. In anticipation of the inclusion of ZEVs in shared mobility services, such as Uber and Lyft, they will invest with partners to facilitate -- to facilitate charging.

Fourth, Level 2 rural charging. Separate from its fast-charging investments in rural areas, Electrify America proposes a \$2 million rural pilot program to invest in 35 to 50 Level 2 charging station sites in rural areas of California including, but not limited to, the Central, Imperial, and Coachella Valleys.

And finally, installation of renewable generation at select sites.

--o0o--

AIR POLLUTION SPECIALIST WILLIAMS: It's

1 important, when talking about this level of infrastructure
2 investment, that we understand California's projected
3 charging infrastructure needs, and the proposed Cycle 2
4 plan's anticipated contribution to those needs. The
5 California Energy Commission's report, "2018 California
6 Plug-In Electric Vehicle Infrastructure Projections: 2017
7 to 2025", estimated California needs 229,000 to 279,000
8 chargers to support 1.5 million ZEVs by 2025.

9 To date, the State has approximately 18,000
10 chargers installed, representing seven percent of the
11 State's needs, as indicated by the green wedge in the
12 chart to the left.

13 As part of SB 350 investments, charging
14 infrastructure pilot programs, and other transportation
15 electrification proceedings, investor-owned utilities have
16 proposed or approved plug-in electric vehicle
17 infrastructure projects totaling over \$1 billion, as
18 indicated by the orange wedge in the chart to the left.

19 Electrify America's anticipated infrastructure
20 contribution, via their Cycle 1 and proposed Cycle 2
21 investments in the State will account for just over two
22 percent of the anticipated 2025 infrastructure vision, as
23 indicated by the red wedge in the chart to the left.

24 Other public and private investments are still
25 necessary to close the State's 2025 infrastructure gap of

1 46 percent, as indicated by the blue wedge in the chart to
2 the left.

3 CARB staff extrapolated the 2025 charging
4 infrastructure projections described in the chart to the
5 left to estimate that we will need approximately one
6 million chargers to support approximately 4.4 million
7 plug-in electric vehicles anticipated by 2030. Electrify
8 America's infrastructure investments, via their Cycle 1
9 and proposed Cycle 2 investments, will comprise less than
10 one percent of the 2030 infrastructure projection,
11 indicated by the thin red wedge in the chart to the right.

12 Further, by 2030, the State's infrastructure gap,
13 indicated by the blue wedge in the cart to the right, is
14 projected to grow to approximately 86 percent. Other
15 public and private investments will be necessary to close
16 this gap.

17 --o0o--

18 AIR POLLUTION SPECIALIST WILLIAMS: I'll turn now
19 to Electrify America's proposed Cycle 2 public awareness
20 efforts. Electrify America proposes to continue to use
21 traditional and social media to increase public awareness
22 of ZEVs and their benefits. Electrify America's Cycle 2
23 media efforts would continue to be brand neutral and
24 feature both battery electric and fuel cell electric
25 vehicles.

1 Electrify America would also use marketing to
2 boost station utilization. Messaging would communicate
3 for each charger its location, charging speed, acceptable
4 payment methods, and nearby conveniences, as well as
5 affordability.

6 --o0o--

7 AIR POLLUTION SPECIALIST WILLIAMS: CARB posted
8 Electrify America's proposed Cycle 2 plan on October 3rd,
9 2018. The public was invited to provide comments on the
10 proposed plan through a CARB hosted comment docket that
11 closed on October 26th. Comment letters that have been
12 received since that date have also been added to the
13 comment docket.

14 Staff conducted an assessment of the proposed
15 Cycle 2 plan taking into consideration the requirements of
16 the consent decree, as well as Senate Bill 92, and Board
17 Resolution 17-23, and the comments received from the
18 public.

19 Staff publicly posted its assessment of Electrify
20 America's proposed Cycle 2 plan on CARB's website on
21 November 9th. Staff, in its assessment, concludes that
22 the proposed plan meets the requirements of the consent
23 decree and reaffirms Electrify America's commitment to the
24 content of both Senate Bill 92, and Board Resolution
25 17-23.

1 I'd now like to summarize the comments that CARB
2 received during last week's stakeholder meeting.

3 --o0o--

4 AIR POLLUTION SPECIALIST WILLIAMS: Board
5 Resolution 17-23 directs staff to report to the Board at
6 least twice a year on progress towards achieving the
7 objectives of the 2.0 liter consent decree. Staff is to
8 consult with stakeholders, including environmental justice
9 groups, labor organizations, automakers, electric vehicle
10 charging equipment companies, and others to inform these
11 reports. CARB staff has engaged with many stakeholders
12 throughout Cycle 1 development and implementation.
13 Additionally, staff convened a stakeholder consultation
14 meeting on December 7th, 2018.

15 The vast majority of the 40 plus stakeholders who
16 spoke at the consultation meeting were encouraged by
17 Electrify America's partnering efforts, cited examples of
18 projects and benefits including job creation resulting
19 from the private industry investment, and expressed that
20 Electrify America was, in many instances, the first to
21 reach into disadvantaged communities that hadn't seen
22 prior investment. They supported Cycle 2 approval without
23 delay.

24 A few commenters identified areas where they
25 thought the program could be improved, including

1 diversifying outreach, making ride-and-drive events
2 available on weekends, and allocating much more than \$2
3 million to rural infrastructure.

4 Electrify America and other stakeholders
5 identified that outreach materials were already available
6 in two to three languages, and explained that the \$2
7 million rural investment is additional to rural
8 investments under the community and corridor charging
9 investments.

10 Other commenters suggested that the Los Angeles
11 metro area should receive investments in proportion to the
12 damage done, and that the second Green City should be
13 identified in Cycle 2, and that coalitions of cities be
14 considered for the selection.

15 Finally, two electric vehicle service providers
16 requested that quarterly reports provide greater spending
17 detail to include quantifying spending in low-income and
18 disadvantaged communities. CARB staff expressed that
19 these spending details are provided in the annual reports.

20 --o0o--

21 AIR POLLUTION SPECIALIST WILLIAMS: Several
22 stakeholders identified hurdles that applied not only to
23 Electrify America, but to other service providers as well.
24 Those hurdles include long permitting times and the
25 impacts of the Americans with Disabilities Act

1 requirements on siting -- on siting, and demand charge
2 effects on sustainability.

3 There was also a discussion to identify those
4 efforts CARB may undertake to help address siting
5 conflicts. CARB, along with its agency partners, the
6 Governor's Office of Business and Economic Development, or
7 GO-Biz, the California Energy Commission, or CEC, and the
8 California Public Utilities Commission, or CPUC, committed
9 to share permitting best practices to overlay CEC and
10 Electrify America siting lists to identify potential areas
11 of conflict, and ensure sited infrastructure is additional
12 and complementary.

13 Several stakeholders expressed appreciation for
14 the opportunity to meet and suggested that meetings happen
15 periodically. Staff concurred that it would be
16 appropriate to convene regular general infrastructure
17 meetings.

18 Finally, staff provided the service providers a
19 direct contact for reporting specific siting concerns.

20 --o0o--

21 AIR POLLUTION SPECIALIST WILLIAMS: CARB will
22 ensure it continues to receive quarterly and annual
23 reports from Electrify America, and that the public
24 reports continue to be posted.

25 In turn, CARB will report annually to the

1 legislature. CARB will continue its EV charger planning
2 coordination with such entities as GO-Biz, CEC, CPUC,
3 Caltrans, the utilities, clean cities coordinators, air
4 quality management districts, local officials, and EV
5 service providers.

6 Finally, as required by the consent decree, the
7 independent third-party auditor will continue to provide
8 annual reports to CARB and will review Electrify America's
9 implementation and accounting records, conduct select
10 onsite audits, and review all expenses and approve only
11 those that are found to be creditable.

12 --o0o--

13 AIR POLLUTION SPECIALIST WILLIAMS: In
14 conclusion, CARB staff recommends that the Board adopt
15 Resolution 18-54, approving Electrify America's proposed
16 Cycle 2 ZEV Investment Plan. Approval of the plan will
17 allow Electrify America to continue its investments
18 providing benefits to California's air quality and ZEV
19 drivers.

20 That concludes my presentation. At this time, I
21 would like to invite Mr. Giovanni Palazzo, CEO of
22 Electrify America, to address the Board.

23 CHAIR NICHOLS: And we do have your written
24 report as well. So thank you for providing that in
25 advance.

1 Good morning.

2 (Thereupon an overhead presentation was
3 Presented as follows.)

4 MR. PALAZZO: Good morning. Good morning,
5 everyone. Okay. So I hope everybody can hear me now.

6 Chair Nichols, and Vice Chair Berg, and members
7 of the Air Resources Board, My name is Giovanni Palazzo,
8 and I am the President and the CEO of Electrify America.

9 So let me grab the chance also in my name,
10 Supervisor Roberts, and also in the name of Electrify
11 America to thank you for your long-term public service and
12 contribution to the air quality on California.

13 So thanks for that.

14 And thank you also for having me back to present
15 a second time today. As you may know, I began working in
16 electric mobility at Mercedes-Benz of Daimler in 2003,
17 where I led the launch of the Mart Electric Drive. I have
18 been in the clean transportation space ever since.

19 Before taking this job, I was responsible for the
20 eMobility strategy of VW Group at the global scale. In
21 this position, I contributed to develop and propose the
22 ZEV investment commitment as part of the consent decree.

23 That's how I had my first extremely positive
24 experience with the CARB staff. I am honored to have this
25 unique opportunity to drive ZEV adoption, reduce

1 pollution, and help the drivers, the people, and the
2 workers of California.

3 --o0o--

4 MR. PALAZZO: In Cycle 1, we are making
5 tremendous progress. Just a few highlights include:

6 Dozens of workplaces and MUD Level 2 charging
7 stations are now under construction. We are building
8 ultra-fast charging stations as fast as permits allow. We
9 have leased 120 sites in only 14 months, 76 ultra-fast
10 charging stations have been designed, 66 permit
11 applications have been submitted, and 28 permits have been
12 approved. Six stations are done with construction. And
13 very important let me emphasize that last week in
14 Livermore we opened California's first 350 kilowatt
15 station, which is capable of charging an EV at 20 miles of
16 range per minute. That's unprecedented in the industry,
17 and, of course, also in the U.S.

18 Deploying first-of-kind technology is, of course,
19 extremely challenging. But we believe it would be and can
20 be a game changer for the EV drivers. Much more than 35
21 percent of this DC fast charging stations at every stage
22 of development are in disadvantaged or low-income
23 communities, as you clearly can see in this chart.

24 --o0o--

25 MR. PALAZZO: Beyond infrastructure, last month,

1 we launched our Green City car sharing programs here in
2 Sacramento. Our brand neutral advertising spot featuring
3 the music of the Flintstones and the Jetsons and the Chevy
4 Volt is getting massive views. I hope you heard it or
5 seen it, and visited plugintothepresent.com.

6 Our campaign is coordinated and shares the tag
7 line of Veloz recently launched Electric For All Campaign.

8 Finally, we have created partnerships with six
9 community-based non-profit organizations to build
10 education and awareness in disadvantaged and low-income
11 communities.

12 Across all these different investment areas, I am
13 thrilled to announce today that Electrify America is on
14 pace to ensure that more than 35 percent of its -- of
15 investment is in disadvantaged and low-income communities.

16 --o0o--

17 MR. PALAZZO: Over the past year, Electrify
18 America conducted a massive outreach and stakeholder
19 engagement process in order to ensure we included the best
20 ideas in our Cycle 2 plan. We considered more than 800
21 comments and suggestions, held dozens of online
22 presentations, and community meetings, and spoke
23 individually with more than 100 stakeholders. We talked
24 to every category of stakeholder from academic and
25 national lab experts to community groups.

1 So many of the people in this room have been
2 generous with their time, their data, and their wisdom,
3 and we thank you all for that.

4 --o0o--

5 MR. PALAZZO: Last week, as mentioned already, we
6 joined a stakeholder meeting held by CARB that continued
7 these 12-month process. We were pleased by the level of
8 engagement, and we were humbled by the overwhelming
9 support for both Cycle 1 and Cycle 2 investments.

10 As you can see, more than 60 nonprofit
11 organizations, ZEV industry players, municipal leaders,
12 elected officials, and community groups have written to
13 CARB to urge rapid approval during the comment period.

14 And last week, many of these organizations
15 traveled from all parts of the state and country to
16 express support for the Cycle 2 plan.

17 --o0o--

18 MR. PALAZZO: I believe this tremendous support
19 is in place, because we listened to Californians when
20 designing our Cycle 2 plan. Based on stakeholder and CARB
21 feedback, we made major changes from Cycle 1 and early
22 Cycle 2 drafts. Each change, including new communities
23 for investment, increased funding for community-based
24 organizations, new investment categories like ride hailing
25 and transit, and rural Level 2 charging, were a direct

1 result of stakeholder and CARB input.

2 Thanks for that.

3 We also committed to making economically
4 sustainable investment in disadvantaged and low-income
5 communities. Specifically, we will again strive to ensure
6 that 35 percent of all investment in Cycle 2 is in
7 disadvantaged and low-income communities. We will expand
8 community charging station investments to nine metro areas
9 home to 32 million people, and include heavily
10 disadvantaged communities in Santa Cruz, Riverside, and
11 San Bernardino.

12 Corridor charging will be targeted in the Central
13 Valley, Sierra Mountain region, the Inland Empire and the
14 Eastern Mojave Desert. A new ZEV infrastructure use cases
15 include: A rural pilot program located in Central,
16 Imperial, and Coachella Valleys; investments to support
17 transit services and ride hail drivers suggested by Los
18 Angeles governments; and a program to help Californians
19 add residential charging. While some of these investments
20 are at pilot scale in Cycle 2, they have the potential to
21 expand in Cycle 3.

22 Finally, we have committed that 35 percent of
23 brand neutral media will be geotargeted in disadvantaged
24 and low-income communities. And we will keep on funding
25 the work of effective community-based organizations.

--o0o--

MR. PALAZZO: There were only a very few critical comments submitted to CARB regarding the Cycle 2 plan. But myself and Electrify America we take these concerns very seriously.

First, a few firms in the hydrogen industry encouraged us to fund hydrogen projects. The strategy team of Electrify America started a very productive dialogue with these companies and we remain open to any economically sustainable investment opportunity may come.

Second, commenters suggested that Electrify America has been underinvesting in rural areas. As detailed in my letter on December the 7th to Chair Nichols, we are investing strongly in rural areas in both cycles. We believe, and I believe, this was a misunderstanding.

Finally, while more than a dozen companies in the EV charging industry endorsed the Cycle 2 plan and highlighted the positive impact we are having on competitions, a few comments suggested CARB direct our investment away from the markets in which EV charging is most needed.

We believe that knowingly building charging stations where they are unlikely to be used would be inconsistent both with the consent decree and with the

1 mission of the team of the Electrify America.

2 Some companies might benefit from Electrify
3 America being excluded from certain markets. But we
4 believe that reducing competition, dividing markets, or
5 excluding competitors from markets is not in the public
6 interest and would undermine ZEV adoption.

7 --o0o--

8 MR. PALAZZO: Building out the largest ultrafast
9 known proprietary charging network in the United States is
10 a monumental task, and we will not be successful alone.
11 Our team could not have developed a Cycle 2 California ZEV
12 investment plan were for your such solid support without
13 tremendous stakeholder input. For many stakeholders, we
14 know this is a passion not a profession. And we thank you
15 all for your contributions.

16 And over more than six months of dialogue,
17 meet-and-confer sessions, and data mailings, CARB
18 leadership and staff have provided us with invaluable
19 input. Guidance and suggestions that made the plan
20 better. We are grateful, very grateful, for your time and
21 assistance.

22 CARB staff found in their report that the Cycle 2
23 plan exceeds the goals and the requirements of the consent
24 decree, and recommended approval. I hope today you follow
25 their recommendation. So thank you again for your time

1 and support.

2 Thank you.

3 CHAIR NICHOLS: Thank you, Mr. Palazzo. I hope
4 you'll stay to answer any questions that the Board members
5 may have. It is clear that you've been listening and
6 paying attention to the comments you've received from our
7 staff. And while certainly you haven't succeeded in
8 making everyone support your proposal, you have come an
9 impressive way in terms of gaining support. So that's
10 helpful.

11 But I do want to make sure that Board members who
12 have any questions now have a chance to raise them.

13 Yes.

14 BOARD MEMBER FLOREZ: Great. Thank you. I know
15 we have a lengthy list of participants today, but I do
16 want to ask -- and thank you for showing up. You know, I
17 do have some questions for the CEO. And thank -- we've
18 been having a bit of exchange. And I appreciate the
19 timeliness of your responses. So I want to hone in on
20 some outstanding items that you've mentioned.

21 I do want to put it in context though. You know,
22 the last time this Board approved this plan, there was
23 another CEO standing right where you were. His name was
24 Mark McNabb.

25 MR. PALAZZO: Yeah, sure.

1 BOARD MEMBER FLOREZ: And I started that by
2 asking the question why should we trust you?

3 MR. PALAZZO: Yes.

4 BOARD MEMBER FLOREZ: And I think the answer was
5 I'm going to be here a very long time.

6 MR. PALAZZO: Yes.

7 (Laughter.)

8 BOARD MEMBER FLOREZ: And this plan is going to
9 be reflective of, you know, in some sense, the experience
10 that you bring to this. So just forgive me a little bit,
11 but not focusing in on the personality of the CEO at the
12 time, but the plan.

13 MR. PALAZZO: Yes.

14 BOARD MEMBER FLOREZ: Because I think that's what
15 this Board has to really focus on.

16 Maybe my first question would be you've seen --
17 we had a pause from the time you were here last meeting to
18 this, so like 30 days. And we had a session that staff
19 characterized very well, as I understand it. But I guess
20 my question is from what you've seen today that the staff
21 offered in terms of that pause meeting, or that
22 get-together, were there any items on that that you feel
23 that you would incorporate or put into this current plan?

24 MR. PALAZZO: So I think -- so the first point is
25 that I understand you may have also some concerns --

1 BOARD MEMBER FLOREZ: Yeah.

2 MR. PALAZZO: -- because I am popping up like
3 new guy from Germany.

4 What speaks I think, and I hope in my favor, is
5 the long veteran on the ground on the EV space.

6 BOARD MEMBER FLOREZ: Um-hmm.

7 MR. PALAZZO: And I started with it when I was
8 much younger, let's say. And I think my career can speak
9 and has -- has been backboned on too many elements, one is
10 the interests for EV to making this happen. The second is
11 integrity and performance.

12 So I hope that the Board can trust me. I have an
13 incredible willingness to make and to help through
14 Electrify America eMobility happen in the U.S., and of
15 course in California.

16 So regarding the stakeholder meeting, I can
17 simply, first of all, thank you, because of -- it's
18 because of your request last time that we made -- we made
19 this happen. I think it was extreme beneficial for all of
20 us. And Mark from the CARB staff highlighted core
21 elements in my view.

22 BOARD MEMBER FLOREZ: Um-hmm.

23 MR. PALAZZO: So the first one is that I think we
24 need to have and to confirm such emitting where we have
25 the whole industry trying to make efforts to make sure

1 that eMobility takes place in California all together in
2 one place meeting at the same time.

3 I think another couple things that have been
4 shown when we can work all together as an industry to
5 really expedite and make sure that we keep on winning
6 pace, in terms of, you know, increasing ZEV adoption.
7 This is, at the end of the day, also the final biggest
8 commitment of the consent decree.

9 So I would say that Electrify America will be
10 more than happy if the stakeholders meeting keep on taking
11 place, first of all. I think it should look more into the
12 common challenges that we all as, let's say, charging
13 companies and companies who are making business in the EV
14 space, can identify, you know, to try to, you know,
15 somehow accelerate EV adoption like I told you.

16 You have seen four elements in the list of the
17 staff. I think the most interesting one for all of us,
18 when I talk also to the other colleagues, is permitting.
19 So permitting is when we all -- some -- it's a little bit
20 pain point for us, because it's where we lose control. So
21 you have a site acquisition in place, and then you have
22 your site leased. You have design going on. Actually,
23 everything is ready to be built and then you stop a little
24 bit into Permitting.

25 What we are doing, we are doing a lot, I think,

1 on the -- to try to make sure that we can join forces
2 regarding this. I need to admit that the permitting time
3 that we see in California at the moment, it's much longer
4 than what we are witnessing on the national level. In
5 some cases, it's way more than 50 working days. So, in
6 some cases, we have sites blocked for a couple of months.
7 And this is not Electrify America only. Of course, you
8 know, it's also all the other company in the space.

9 So I do not want to, you know, bring too much
10 attention on that, but I think I can commit Electrify
11 America to go on on that.

12 Regarding the second question that you --

13 BOARD MEMBER FLOREZ: Well, I think my major
14 questions, just to cut to it is maybe staff can put up the
15 public comment recommendations you had up earlier. I'm
16 not sure what pages those were, but your summary. And my
17 question is of what is on the summary do you support and
18 can we include all of those recommendations in this
19 particular resolution?

20 MR. PALAZZO: I think for one of them -- some of
21 them actually we can agree. And some other like having
22 closer look and, for instance, also increase the
23 reporting, I'm not sure that if I can commit to that in
24 this occasion.

25 BOARD MEMBER FLOREZ: Okay.

1 MR. PALAZZO: And us you may know, the -- and I
2 think as the CARB staff highlighted very briefly, the
3 scope of the meeting today is to assess if Cycle 2 plan
4 meets the requirements of Cycle 2 plan.

5 BOARD MEMBER FLOREZ: Okay.

6 MR. PALAZZO: Very Frankly, senator Florez, I'm
7 not in the position to commit to additional reporting to
8 the consent decree, because I cannot represent all the
9 settlement defendants here, and I can speak for only to
10 Electrify America.

11 So my suggestion is that we can -- and I defer to
12 the CARB team for that, but Electrify America is willing
13 to discuss each of these elements. I think it's a little
14 bit of cold shower to commit to all of them today.
15 Diversification of our reach, we need to understand what
16 is meant for that. We are happy to deep dive and to keep
17 on having this open dialogue that we're having to
18 understand more.

19 But some of them I could say a big yes, but we
20 need more information for a fuller commitment.

21 BOARD MEMBER FLOREZ: Okay. Well, that's fair.
22 But I would say that the plan got a little better than it
23 did the last time we were here.

24 MR. PALAZZO: Yeah.

25 BOARD MEMBER FLOREZ: And I think the pause

1 created quite a good amount of positive suggestions that
2 our staff has laid out here.

3 MR. PALAZZO: Yeah.

4 BOARD MEMBER FLOREZ: And particularly, your
5 predecessor, when presenting the plan last time, mentioned
6 the inclusion of a Green City. And it was kind of part
7 and parcel of Sacramento had just been part of that Cycle
8 1. This plan does not include a Green City, is that
9 correct?

10 MR. PALAZZO: It is absolutely correct.

11 BOARD MEMBER FLOREZ: And what's the -- what am I
12 missing from the first CEO to you that somehow this
13 particular concept, which seemed quite popular and had the
14 support, I believe, of a lot of the same groups on this
15 list, why isn't it here in this plan?

16 MR. PALAZZO: Yeah. Thank you for the question,
17 Senator Florez. I think we discussed also CARB staff that
18 the reason why you're not seeing a second city at
19 several -- several elements. The first one is that, as
20 you may know, we are talking about \$44 million investment
21 in Sacramento. It's again something like unique,
22 especially coming from a private company. Let me analyze
23 for, you know, the use of the people here and the friends
24 that are joining us today, which are the main elements of
25 the Green City.

1 So first of all, you have two car sharing
2 programs. The one with Envoy is online. I hope that
3 you've seen it already. We working beautifully with the
4 City of Sacramento with this act to zero activity. We're
5 going to have here, because I've seen everybody, some
6 friends from the Sacramento City to testify then.

7 BOARD MEMBER FLOREZ: Um-hmm.

8 MR. PALAZZO: The good news is that we are
9 starting the second car sharing program in February this
10 year. It's Gig. Another company, other cars. We're
11 going to use Chevy Bolt. You have seen the Electrify
12 America is using a lot of Bolts, so we seem -- we like a
13 lot this car.

14 We're going to have two shuttle and bus services.
15 Of course, you know, electric and fueled by electric
16 charging installations. This is also something pretty
17 unique. And we are having to be fair with you. Some
18 challenges in getting the contracts for these buses, and
19 we are looking to alternatives in some cases to speed up a
20 little bit. That's one of the examples without doing any
21 kind of finger pointing at all.

22 When you see an lapse sometimes also in the
23 charging site that, in some cases, the industry is not
24 even ready to somehow support the effort of Electrify
25 America.

1 BOARD MEMBER FLOREZ: Okay. I guess my question
2 is the --

3 MR. PALAZZO: I'm coming to it.

4 BOARD MEMBER FLOREZ: -- the 30 -- it's a
5 30-month plan. We're 18 months into this. We're, you
6 know, halfway through the first investment cycle. The
7 next investment cycle will come up and we have 30 months
8 in that period.

9 MR. PALAZZO: Yeah.

10 BOARD MEMBER FLOREZ: So I'm wondering, as was
11 portrayed to us the last time, that Green Cities would be
12 a very large part --

13 MR. PALAZZO: Yeah.

14 BOARD MEMBER FLOREZ: -- of the investment cycle.
15 And I'm just wondering, you know, that dropped off. Why
16 did it drop off?

17 MR. PALAZZO: Yeah.

18 BOARD MEMBER FLOREZ: When will it come back?

19 MR. PALAZZO: Yeah.

20 BOARD MEMBER FLOREZ: And will it come back?

21 MR. PALAZZO: You're right. I'm going to read up
22 a little bit. And instead of highlighting the plan, I
23 come to the answers.

24 So the first one is that the reason why, and was
25 the reason why I was explaining all the activities, you

1 will see the highest impact of the Green City in Cycle 2
2 actually. We would like to take the opportunity to learn
3 from the activities in Cycle 2. We already committed to
4 CARB that we are happy to identify a second Green City in
5 Cycle 3 already. And I'm pretty sure that you saw in the
6 annual report, we explained in detail all the methodology
7 that we used for identify Sacramento. Actually, we will
8 work a lot with the CARB staff, as well as with all the
9 stakeholders to identify the second city already in the
10 course of Cycle 2 plan.

11 So the information is that, yes, we're going to
12 start to selecting the city in Cycle 2, and we are
13 committed to have the second Green City in Cycle 3.

14 BOARD MEMBER FLOREZ: Okay. Well -- okay. Well,
15 I think that will be part of the record, but I just --
16 just for the record, the passed cite will give us a
17 different picture. So I know these cycles will keep
18 going, but I think, at some point, the Board will wonder
19 what a plan is that we're approving that changes so
20 significantly, and particularly on the large investments
21 like a Green City.

22 So I would just simply say if that's the
23 commitment, we should begin having stakeholders begin to
24 talk about that particular aspect.

25 Just two other questions. I don't want to

1 dominate the conversation. But most of the plan that was
2 put up a moment ago by staff, I was struck by the -- this
3 -- the chart that showed the percentage of how far we have
4 to go. And two percent for VW and the other seven percent
5 for all the other manufacturers. So the way I read that
6 chart was simply that you're two out of seven. You're --
7 you know, you're some 28 percent. That's a big percentage
8 in terms of your participation actually in this particular
9 endeavor.

10 So given that, how do you view -- we've been
11 talking a lot about disadvantaged communities, because I
12 look at the maps that we're put up by both yourself and
13 the staff, are these locations making it easier to drive
14 through rural communities or are these locations making it
15 easier for those people who live in rural communities to
16 connect a Leaf, or connect a car that may not have Tesla
17 capabilities? How would you view that as being part and
18 parcel of the solution? And I'll just preface it by
19 saying, I view this many -- I mean, the punishment thing
20 was very pronounced by staff. It was in red and making
21 the distinction between a punishment and investment the
22 points made.

23 But in some sense, I've always thought the goal
24 was for you to put charging stations in places that were
25 not being led, in some cases, by the metropolitan area. I

1 thought the private sector was doing that. I thought, in
2 some sense, CEC was doing that. PUC is doing that.

3 MR. PALAZZO: Yeah.

4 BOARD MEMBER FLOREZ: They're incentivizing folks
5 into that category. How do you fit into that ecosystem --

6 MR. PALAZZO: Yeah.

7 BOARD MEMBER FLOREZ: -- if you are also racing
8 into those areas, and therefore leaving some of these
9 areas that may be on a spine, but will never be able to
10 truly connect from a small rural community to, if you
11 will, a highway.

12 MR. PALAZZO: Yeah. So great question again.
13 Thanks for that.

14 BOARD MEMBER FLOREZ: Um-hmm.

15 MR. PALAZZO: Let me use one minute to highlight
16 the whole rural investment that Electrify America is
17 overtaking. There's different elements in Cycle 1 and
18 Cycle 2.

19 I start with Cycle 1. In Cycle 1, you've seen
20 that we are overtaking \$75 million investment on the
21 highway. The point is that it's on a highway, but we have
22 a lot of location, which, as you said, they are touching a
23 lot of rural areas. I'm thinking about some -- I'm
24 thinking about all the CA-99, as you mentioned, a question
25 city. So these are a pure rural region.

1 Out of the \$75 million, 40 percent we calculated
2 are completely going into rural areas. The good point is
3 that we will be able in Cycle 1 to build up very large
4 amount of highway charging giving us the chance to have a
5 spacing between the stations of not more than 48 miles,
6 coming to your point.

7 So what does it mean? That we have the ability
8 in Cycle 2, and I think the luxury, to only filling
9 spaces. And actually we have two additional investment
10 cycles behind that.

11 Coming to Cycle 2 specifically, we are investing
12 25, 30 million dollars in Cycle 2 and 80 percent, 80
13 percent, of this goes into rural areas. So why I'm
14 telling you to do that. First of all, because if you
15 combine -- the math is pretty easy. It's more than \$50
16 million going into rural areas. And I think, which is
17 important, is the way we are designing the stations is
18 that, of course, they are beneficial for people moving on
19 a highway, but they are much more highly beneficial also
20 for the people living in rural areas.

21 Why that? Because it's a combination of highway
22 and metro station, you know, that we are building with
23 Walmart, Target. So these are locations where rural areas
24 people, you know, need to go. And we think that's the
25 best place actually we can combine this approach.

1 And one additional point is that we are not happy
2 enough, let's say, and we -- we wanted not only to invest
3 on DC fast charging station in rural. And that's the
4 reason why we not only plan, but even increased, the level
5 of the investment on Level 2 charging in rural area. This
6 will go in Imperial, Central, and Coachella Valley.

7 And while the amount of money could, you know, be
8 small -- or be seen as small, actually two million for
9 Level 2 a lot of money. So we are talking about more than
10 40 stations, hundreds of chargers, and we are going to
11 locate them into educational and health centers.

12 The reason why we did that is because there are
13 some DOE researchers based in California that seeing that
14 when you start working in these location, historically, EV
15 adoption is waiting.

16 So if you combine all that, and then I'll give a
17 minute to you, we are talking about more than 50 million
18 investment in rural areas, investment on highway plus
19 metro charging, which is high beneficial for both use
20 cases, and we added a new piece on Level 2 site.

21 BOARD MEMBER FLOREZ: Okay. Just my -- I don't
22 want to dom -- this is my last question. Just -- not a
23 question, maybe a comment. I think the issue is, going
24 back to my -- the Board is -- you're the CEO and CEOs come
25 and they stay sometimes long periods of time, kind of like

1 Mary Nichols around for a long time. And then there's
2 some CEOs that are trans -- kind of move. So you're going
3 to be here for a little bit.

4 Next 30-year plan -- next 30-month plan -- here's
5 what I think is lacking. And I'd really like the staff to
6 work with you on this. I think we lacked the data to
7 support most of what you've just told us. And I'm going
8 to hold it at face value. I'm going to say that
9 everything you've given is absolutely a correct point.
10 But I don't think we have enough data for the Board itself
11 and the staff to really, in some sense -- a once-a-year
12 check-in again is problematic. I applaud the fact that
13 you want to have more reporting in some sense or
14 get-togethers.

15 But I think data accessibility, would you commit
16 to somehow helping us with the data that would be
17 necessary for us to continue monitoring how this
18 investment is going? It is an investment. You look at it
19 that way. If we're looking at it that way from the other
20 side of the table --

21 MR. PALAZZO: Yeah, yeah.

22 BOARD MEMBER FLOREZ: -- we need lots of data.
23 We need lots of accessibility. We need transparency. We
24 need to see the data that you're looking at. We need to
25 be able to evaluate were you're doing like any company

1 would or board of a company.

2 MR. PALAZZO: Yeah.

3 BOARD MEMBER FLOREZ: So I'm just wondering if --
4 that's what seems to be lacking, particularly in this
5 case. We have lots of presentations, but very little
6 data.

7 MR. PALAZZO: I -- let me comment also briefly
8 here. But I'm a little bit surprised, because if you look
9 at Cycle 2 plan and the annual report, I think we're
10 having a pretty scientific approach there. I understand
11 that it's almost 100 sites document. It's difficult to
12 navigate, and we think we are a data-driven company that
13 takes also position based on data, but I take the point
14 with me.

15 If you -- actually, perception is true, so if you
16 think that we need to increase the quality and the amount,
17 I'm very happy to deep dive with you, understand work we
18 can improve, and together also with CARB team try to --
19 try to do if we need to do a better job to increase the
20 transparency and the quality.

21 BOARD MEMBER FLOREZ: Thank you.

22 CHAIR NICHOLS: I think I'm -- thank you.

23 This has been a long colloquy, and I didn't make
24 any attempt to stop it, because I thought it was useful.
25 I found out, just as I was on my way here this morning,

1 that two of our Board members had written a piece which
2 was published at about 3:00 a.m., I believe, today on this
3 same topic. And so I wanted to make sure -- it was
4 published in the Sacramento Bee actually. And I think the
5 points are obviously reflecting deep concerns and wanting
6 to make sure that the rest of the conversation goes well.

7 So for that reason, unless there are other Board
8 members that really feel a need to speak at this point, I
9 would like to move directly to the public comment, if I
10 may. And then we'll have some time at the end for other
11 Board members also to check in.

12 BOARD MEMBER SHERRIFFS: Can I ask just one
13 question?

14 CHAIR NICHOLS: Yes.

15 BOARD MEMBER SHERRIFFS: It will be short.

16 CHAIR NICHOLS: All right.

17 BOARD MEMBER SHERRIFFS: Thank you. Thank you
18 for your -- you work, and really I think your -- you --
19 you hear the message and understanding that -- and
20 flexibility and changing. It's very important, because
21 the rural intent is very good. And the question is but we
22 need to prove it to ourselves that it's actually doing
23 what we intend it to do.

24 MR. PALAZZO: Yeah.

25 BOARD MEMBER SHERRIFFS: My question is in terms

1 of the Cycle 1 and Cycle 2 when are they done, or what are
2 the benchmarks when we get to Cycle 3? Well, where do we
3 expect to be in Cycle 1 in terms of what we've
4 accomplished?

5 MR. PALAZZO: Yeah. So in Cycle 1, I do not want
6 to complain, because it was also, you know, on -- let's
7 say on the ability of -- of this ability of Electrify
8 America at that time. But in Cycle 1 we commit to have
9 100 city sites in place DC fast charging station by the
10 end of the cycle, which is only -- which is only, let's
11 say, mid of next year. And let me underline only that you
12 understand the magnitude of the effort that we are doing.

13 We are committing to this target, and we are not
14 asking CARB Board to any kind of, let's say, postponement
15 to that, despite the fact that you know that we have an
16 approval eight months after the start of the cycle.

17 So what is happening is that Electrify America is
18 doing all these figures that we are bringing into the
19 funnel. You have seen that we opened Livermore last week,
20 250 kilowatt charger, which is amazing in the space, in
21 only 14 months.

22 So my only request to you is that I hope that you
23 see what Electrify America is providing in terms of
24 construction pace and quality on the national level.

25 So on the APA side, Electrify America is almost

1 more than 55 sites online, and more than 70 are ready to
2 be energized. So my goal, and the goal of the team, is
3 that -- and that's the reason why it's important to have a
4 green light from you today, we want to show this pace also
5 in California. Give us the chance to show us what
6 Electrify America is able to do in a bunch of months,
7 because we are able to confirm to you that pace that you
8 are seeing on a national level also in California, if you
9 give the approval today.

10 So the combination from Cycle 1 and Cycle 2 would
11 be an unprecedented number of DC fast charging station,
12 Level 2 charging, metro areas, workplaces, which would be
13 an unprecedented pace in the space. While I not want to
14 be too, let's say, to -- do not show the ego of Electrify
15 America here, but let me emphasize that nobody was able in
16 the EV space before to build up so fast like Electrify
17 America is doing over the last months.

18 So I'm committing that we are going to build up
19 and fulfill all the obligation on Cycle 1. And if you see
20 to the variety and the diversity of the Cycle 2 plan,
21 which I agree with Senator Florez, is much, much more
22 mature. So if you compare the two plans, the second one
23 we are having so much more complexity. We are having
24 autonomous driving, we are having -- we are having
25 residential. We are having all elements that actually

1 will make our life not easier. But the reason why we are
2 doing that is because we think we need it, if we want to
3 move on and increase EV adoption in the space.

4 So I think at the end of Cycle 2, we will be able
5 to deliver the promise that CARB staff mentioned to be
6 able to cover more than 85 percent of the EV cars in the
7 market only through Electrify America.

8 The question I have not to you, but to the whole
9 team, is that you have seen the chart, despite the
10 tremendous impact of the two billion investment of
11 Electrify America -- and actually we are going to achieve
12 only two percent of the charging needs in California.
13 Together with the other colleagues and company which are
14 working, we're going to achieve the 46 percent. So the
15 question is that who is covering all the rest?

16 The way -- the reason why I'm telling to you that
17 is that there is enough space for other companies to come
18 in. And potentially, we need other companies to work with
19 Electrify America, all the other players, to achieve the
20 goals of California.

21 CHAIR NICHOLS: Yes. I was going to ask the
22 staff to put up that slide again that showed 2025 and
23 2030, and the fractions of the charging that actually we
24 think we have covered, as well as what's not covered. And
25 before we finish this item today, I also want to ask the

1 staff to be -- to add some more thoughts about how we can
2 work more effectively to make sure that that big gap is
3 filled, because it's enormous. It's not just on ARB.
4 It's not just on Volkswagen obviously, but we need to be
5 working with our colleagues at GO-Biz, at the PUC, the
6 Energy Commission and others to make sure that we're
7 helping to steer investments in the direction that's
8 needed for the -- to support the kind of market that we
9 are very much hoping to achieve here in California.

10 All right. I'd like turn to the witnesses. And
11 because we've got 50 of them, and because this item has
12 been covered quite extensively, I'm going to ask all of
13 you to -- beginning right now, to limit your comments to
14 two minutes, if you -- if you will do that.

15 All right. We have a list up on the Board, so
16 let's get started. And if you can be moving along, when
17 you see your name is coming up on the list and moving down
18 towards the front, that will also save us some time.
19 Thank you.

20 MS. MAINA: Hello. My name is Eva Maina. I'm
21 here on behalf the Assembly Member Kevin McCarty, who
22 asked me to read following statement:

23 "Chairwoman Nichols and Board members, thank you
24 for the opportunity to speak in support of Electrify
25 America's Cycle 2 investment plan. The State of

1 California has enacted robust climate change and air
2 quality policies. In order to make the substantial
3 reduction in emissions of greenhouse gases and harmful
4 particular[SIC] matter required to meet California's
5 climate and clean air goals, we need substantial
6 investments in transformative technologies and
7 infrastructure.

8 "As a representative of the City of Sacramento
9 and the California State Assembly, I was very pleased to
10 see that Electrify America designates Sacramento as its
11 first Green City in Cycle 1, which will continue through
12 Cycle 2. Electrify America has partnered with the City of
13 Sacramento and the Sacramento Regional Transit District to
14 launch two EV car share programs and an EV car transit
15 service in early 2019.

16 "This transit service will connect the cities of
17 Sacramento and Davis, and will expand higher education
18 access and economic development opportunities in the
19 greater Sacramento region. Cycle 2 will focus on
20 continuing the build-out of the charging infrastructure,
21 as well as implementing an innovative residential charging
22 program. I believe that these prudent investments,
23 especially in disadvantaged communities, will put us on a
24 path to reach our ambitious climate goals.

25 "For these reasons, I respectfully urge you and

1 your fellow CARB Board members to approve Electrify
2 America's Cycle 2 investment plan".

3 Thank you.

4 CHAIR NICHOLS: Thank you.

5 MS. ROBINSON: Good morning, Madam Chair, Board
6 members. My name is Judy Robinson and I chair the
7 Sacramento Area Plug-In Electric Vehicle Collaborative.
8 On behalf of the PEV collaborative I want to thank you for
9 the opportunity to speak to you today and extend our
10 appreciation for selecting Sacramento as the first Green
11 City.

12 We've been incredibly busy since you made this
13 decision, and we hope that our supportive comments for
14 Cycle 2 investment will result in approval by your Board
15 today. We still have much to do.

16 The PEV Collaborative comprised of the City and
17 County of Sacramento, SMUD, the Air Quality Management
18 District, SACOG, Sacramento Clean Cities, Sacramento
19 Electric Vehicle Owners Association, and numerous others
20 have been working together since 2015 to increase the
21 deployment of electric vehicles and related
22 infrastructure.

23 In June 2017, we completed an electric vehicle
24 readiness and infrastructure plan that outlines the
25 current and forecasted demand for charging infrastructure

1 and prioritizes their locations across Sacramento.

2 Electrify America has also joined and actively
3 participates in our collaborative. Because of Green City
4 and Electrify America investment, we've been able to
5 leverage their investment with other funding to start
6 implementing the EV readiness plan. Charging
7 infrastructure, new electric mobility with the Franklin
8 neighborhood shuttle bringing much needed clean and new
9 mobility options to this disadvantaged community, and
10 numerous other investments are already transforming the
11 electric vehicle environment across Sacramento and the
12 region.

13 The Cycle 2 plan is well thought out and
14 strategic. We're pleased that there will be ongoing
15 support to advance Green City work, along with increasing
16 education, outreach, new mobility options, and growing
17 charging infrastructure particularly in our low-income and
18 disadvantaged communities.

19 The Sacramento Area PEV Collaborative committed
20 to the success of the Green City Initiative and Cycle 1
21 and 2 investments, and urge your support of the Cycle 2
22 plan. We will continue to do whatever might else be
23 necessary to ensure the success of the investments going
24 forward.

25 Thank you.

1 CHAIR NICHOLS: Thank you.

2 MS. GRESS: Good morning. My name Madam Chair
3 and members. It's great to see you all. Jennifer Gress
4 on behalf of Sacramento Mayor Darrell Steinberg. We're
5 here in strong support of this plan. Home to Electrify
6 America's first Green City.

7 This plan is thoughtful, demonstrates significant
8 outreach and learning over time, and provides the
9 necessary level of support to continue the Green City
10 Initiative in Cycle 2. To date, Electrify America has
11 been a collaborative and responsive partner with a strong
12 commitment to addressing Sacramento's community needs,
13 with a strong focus on low-income and disadvantaged
14 communities.

15 On that point, there is significant planned
16 investment in those communities, particularly for car
17 sharing and the ZEV shuttles. For example, about 70
18 percent of Gig's home zone for free flow car share is
19 in -- going to be in disadvantaged or low-income
20 communities. And 75 percent of Envoy's planned
21 investments are going to be in low income and
22 disadvantaged communities. So we're very, very pleased
23 with that level of investment.

24 Over the past year, the city has been working
25 quickly to establish the policy frameworks, and permitting

1 process -- processes to enable the expeditious
2 implementation of Green City investments, including a --
3 adopting a car share policy, developing permitting fees,
4 and establishing expedited permitting processes.

5 With respect to permitting, we have permitted
6 four fast charging depots and three are under construction
7 now with a fourth scheduled to start after the holidays.
8 And we've also permitted 13 Level 2 chargers at
9 multi-family buildings, and six are under construction or
10 operational.

11 We look forward to continuing our partnership in
12 implementing the Green City Initiative, and we're happy to
13 share what we are learning with the Board and with other
14 communities moving forward.

15 Thank you.

16 CHAIR NICHOLS: Thanks.

17 MR. PIMENTEL: Madam Chair and Board members,
18 Michael Pimentel here to support the Cycle 2 plan on
19 behalf of the City of Los Angeles's Mayor, Eric Garcetti.

20 We think -- we want to thank Electrify America
21 for working with the Los Angeles region over the past nine
22 months to get this Cycle to 2 plan to roll out. The
23 necessity for concentrated funding to keep pace with
24 demand in the city are critical, and we appreciate the
25 continued open dialogue with the Electrify America team.

1 The tremendous need for the Cycle 2 investments
2 within the City of Los Angeles cannot be underscored
3 enough. As you know, despite making significant
4 improvements over the last decade, Los Angeles still has
5 some of the worst air quality in the country, mostly
6 concentrated in underserved communities.

7 Los Angeles County is home to over 50 percent of
8 the state's top 25 percent disadvantaged communities as
9 ranked by the CalEnviroScreen, and over 60 percent of the
10 state's top 10 percent of disadvantaged communities. In
11 all, over four million people in Los Angeles County live
12 in disadvantaged communities.

13 Now, addressing the emissions from our
14 transportation sector, as you know, is essential to
15 addressing our pollution challenges and for serving the
16 needs of some of our most disadvantaged and overburdened
17 communities.

18 The Electrify America funding is critical for
19 addressing these needs. Some evaluations show that the
20 need for infrastructure to support electric vehicles is
21 100 times greater in Los Angeles than in other parts of
22 the State. Currently, there are about 2,000
23 publicly-available chargers. Although, there are
24 approximately 143,000 EVs in Los Angeles. About five
25 percent of new car sales in Los Angeles are electric

1 vehicles. And we are the third largest market in the
2 world for EVs after Shanghai and Beijing. And that demand
3 is expected to grow.

4 For these reasons, we are supportive of ARB's
5 goals to use these funds to accelerate ZEV adoption. And
6 we think the level of investment in the plan for
7 metropolitan areas like Los Angeles fairly corresponds to
8 our level of need. And we ask the Board to approve this
9 proposal today.

10 Thank you so much.

11 MR. LE: Good morning. My name is Minh Le. I
12 serve as the general manager for energy environmental
13 services or the County of Los Angeles with broad
14 responsibility over the deployment of EV infrastructure
15 and ZEV infrastructure across county facilities, as well
16 as in partnership with other public agencies in the region
17 in harmonizing and identifying challenges and
18 opportunities for ZEV adoption. One of the key areas that
19 we observed is actually the permitting as other speakers
20 before us have already identified.

21 My first comment really has to do -- and I'm
22 coming from a position as a technologist and someone who
23 has studied, and participated, and led technology sectors
24 in making profound societal and environmental impact,
25 growing sectors as high as 150 times.

1 And so one of the key aspects here that I want to
2 point out is that we are at a critical phase in EV
3 adoption and infrastructure investments. We'll help
4 increase that moving beyond that early need of that S
5 curve. So what's critical here, I believe, is that the
6 investments are targeted in areas where it will have
7 maximal impact.

8 And the region of the Los Angeles and other
9 metropolitan regions, we have very significant deployments
10 of EVs, as pointed out earlier by the City of Los Angeles.
11 We have roughly 50 percent of the disadvantaged
12 communities, you know, across the state, and about 25
13 percent of the EV registered according to the CVRP
14 program.

15 So, in short, I believe we should be dedicating
16 the majority of our investments and funding in areas with
17 greatest unmet need, and that being in the major
18 metropolitan areas, and L.A. in particular, has not seen
19 the level of investments that we need in order to grow EV
20 adoption significantly.

21 So demand in the L.A. region is increasing
22 exponentially, as pointed out by the Luskin Center. Where
23 we see investments, we will see increased adoption as
24 well.

25 So I think that's my time.

1 (Laughter.)

2 CHAIR NICHOLS: Thank you so much. I appreciate
3 the digression. It was -- it was really very helpful, so
4 thanks for your help.

5 Okay.

6 MR. SMART: Hi. Anne Smart with ChargePoint.
7 Thanks for the opportunity to have the stakeholder meeting
8 last week. We appreciate Analisa coming forward as the
9 point of contact for our competitive concerns. And we
10 continue to have significant concerns, particularly around
11 the notion that these are incremental and additional
12 stations, as implied by the Venn diagram that staff put up
13 earlier.

14 Just last week, one of my sales representatives
15 for Silicon Valley reached out to me in a panic, because
16 one of our workplace customers, a tech company
17 headquartered in Cupertino with dozens of our stations
18 already installed was in the middle of working out a deal
19 with us, and then was approached by Electrify America with
20 the offer of free stations.

21 Now, of course, this tech company, which would
22 have otherwise spent its own private money, is going to
23 move forward with taking the free stations instead and
24 working with Electrify America.

25 This is an ongoing issue for us. It's something

1 that my company internally would like me to figure out a
2 solution for. But I've let them know that it doesn't seem
3 that the incremental and additional guidance that CARB
4 provided at the beginning of this process is being
5 implemented. And I expect this is going to continue over
6 the next few years.

7 We're not asking for leg up in the marketplace.
8 We're just asking for a level playing field. We know this
9 money is going to be spent in metro areas. We understand
10 that there's a need, as was just addressed by L.A. But we
11 may need to reconsider our own position in those markets.
12 We can't use the State funding even to compete against
13 free. We tried to apply utility programs. We've tried to
14 apply rebate programs. But we don't have the ability to
15 offer free charging stations, and that's currently what's
16 occurring in this marketplace.

17 Yes, there's a greater need for stations in
18 California than either us or Electrify America could alone
19 do. But if one company's actions are displacing another
20 company's ability to sell a station, then you're not going
21 to see the growth that California needs to meet its goal.

22 Our concerns remain in place and we look forward
23 to working with CARB on this. Thanks.

24 CHAIR NICHOLS: Thank you.

25 MR. SERFASS: Chair Nichols, Vice Chair Berg, and

1 members of the Board, thank you. I'm Jeff Serfass. I'm
2 Executive Director of the California Hydrogen Business
3 Council. We've provided comments before. I want to
4 update those comments here verbally with you today.

5 Since the last ARB Board meeting, we have pursued
6 a dialogue with Electrify America in a def -- in a deffort
7 -- in an effort to identify investment decisions and
8 criteria that they've applied. Many of our members have
9 attended the call that we had with EA. We hope that EA
10 will continue to find ways to ensure a robust hydrogen
11 station plan as they have alluded to before.

12 But with regard to the learnings about the
13 hydrogen industry, we had over 250 people here in town in
14 the last two days at our hydrogen fuel cell summit. And
15 it would have been a great time for EA to attend and hear
16 the business speakers covering a broad array of the
17 industry and learn about the business details in our
18 industry.

19 We need them to provide a balanced ZEV investment
20 plan, not just a battery electric vehicle investment plan
21 we. Ask ARB to review their -- EA's financial feasibility
22 and cost effectiveness criteria. Are they the same for
23 charging stations as for hydrogen stations?

24 Automobile manufacturers have made large
25 investments in fuel cell electric vehicles, billions of

1 dollars, and it amazes us that EA has not found good
2 investment options for hydrogen stations, as both EV
3 charging and hydrogen stations face financial feasibility
4 and cost effectiveness challenges at this early stage.

5 In Cycle 1, we were told there were going to be
6 hydrogen investments. This investment plan continues to
7 not support hydrogen infrastructure. This approach
8 continues the unequal treatment of hydrogen when ARB
9 itself says fuel cell electric vehicles are critical to
10 meeting greenhouse gas goals. And ARB should question the
11 fuel and brand neutrality of this ZEV investment plan.

12 There is a need for heavy-duty deployment.
13 There's an important synergism between Heavy-duty and
14 light-duty fuel cell vehicles, because hydrogen production
15 for heavy-duty will drive down the cost of hydrogen. The
16 number of vehicles in light-duty will drive down the cost
17 of the fuel cells.

18 CHAIR NICHOLS: Thank you.

19 MR. SERFASS: So we ask you to address this
20 inequality issue, whether you approve the plan or not --

21 CHAIR NICHOLS: Please.

22 MR. SERFASS: -- after.

23 CHAIR NICHOLS: I hear you. Thank you. Your
24 time is up. Thanks.

25 MR. WALLAUCH: Good morning, Steve Wallauch on

1 behalf of the County of San Bernardino. We are here to
2 express the support of the County on behalf -- for
3 Electrify America's Cycle 2 investment plan, in particular
4 the addition of the Inland Empire into the investments for
5 fast charging stations.

6 You know, as you know, the Inland Empire suffers
7 from the highest ozone and PM air quality in the country,
8 particularly from the air quality that blows in, as well
9 as, you know, produced from locally generated emissions.
10 Expanding the charging infrastructure will further
11 stimulate customers to select zero-emission vehicles.

12 And for these reasons, we urge your support for
13 the expenditure plan.

14 Thank you

15 CHAIR NICHOLS: Thank you.

16 MR. HERNANDEZ: Good morning, Board and members.
17 Thank you for the opportunity to speak today. My name is
18 Paul Hernandez. I'm the head of public policy and
19 government relations with Envoy Technologies. Envoy is
20 here to provide support for Electrify America's proposed
21 Cycle 2 ZEV investment plan, and encourage the Board to
22 pass approval of it today.

23 As outlined in Appendix C of the partial consent
24 decree, Electric America will invest \$2 billion in ZEV
25 infrastructure, education, and access efforts over the

1 course of a decade, enabling millions of Americans to
2 discover the benefits of driving an electric vehicle and
3 the added goal of increasing overall ZEV adoption across
4 the U.S. with \$800 million of investment.

5 As part of the Green City Initiative, Envoy is a
6 proud partner and has been selected by Electrify America
7 to support increased ZEV adoption in the City of
8 Sacramento. In the city, Envoy is providing community
9 based EV car sharing systems as an amenity in apartment
10 buildings. And Envoy's fleet will deploy 142 vehicles
11 across 71 locations, each with a dedicated EV charger.

12 What is unique about Envoy's community based
13 platform is that every community has different mobility
14 needs. And we can identify those needs and cater to them,
15 whether it's the need of students accessing vehicles or
16 caregivers supporting low-income seniors going to doctors'
17 offices, or any number of scenarios, including just simply
18 going to the grocery store. Envoy can be used as a tool
19 to be leveraged for the community.

20 With 75 percent of the fleet expected to deployed
21 in disadvantaged communities, Envoy's services will
22 provide equitable transportation for all drivers. And as
23 Cycle 2 rolls out, we will seek to work closely with
24 Electrify America in supporting the deployment of that
25 program as well.

1 So I am running out of time. I had a little bit
2 more, but I wanted to close by saying thank you for the
3 opportunity to speak today. And in closing, I would like
4 to introduce the next speaker, who specifically is Mr.
5 Johnny Garcia, who is one of our Envoy ambassadors, and
6 is -- will speak to you today about his experiences in
7 using the Envoy system.

8 So thank you very much for your time.

9 CHAIR NICHOLS: Thank you.

10 MR. GARCIA: Hi. Sorry. My name is Johnny
11 Garcia. And like he said, I am a regular Envoy user. Oh,
12 and also thank you for the opportunity to speak here.

13 Thank you.

14 And as he stated, the electric vehicles are a
15 great experience for me, because I'm a college student and
16 I don't own a car. It's very hard to maintain, you know,
17 a job, and school, and then, you know, save up money for a
18 car. It's all very hard.

19 And what they offer is a great service, because I
20 use it all the time to go to Costco or, you know, the
21 grocery store to -- you know, there's some cheap stuff
22 everywhere also, other than Costco.

23 (Laughter.)

24 MR. GARCIA: And it's very -- it saves a lot of
25 money. And it's very great. I don't know what --

1 (Laughter.)

2 MR. GARCIA: Sorry, I'm very nervous to be up
3 here right now, but -- yeah, like I said, it's very great.
4 It's cheap, and it's a great alternative to owning a car,
5 in the meanwhile, until we get up on our feet.

6 Yeah. Thank you so much for letting me speak.

7 BOARD MEMBER SERNA: Good job.

8 CHAIR NICHOLS: Thank you. Good job.

9 MR. DULICH: Good morning. Good morning, Chair
10 Nichols and the entire CARB Board. Thank you very much
11 for this opportunity to speak. My name is Matt Dulich.
12 And on behalf of the Government Relations Office of the
13 University of California at Davis, I am here to support
14 the ongoing efforts of the Electrify America investment
15 plan.

16 Through the Electrify America Green City
17 Initiative in Sacramento, a unique partnership has emerged
18 consisting of UC Davis, the local transit districts, and
19 the City of Sacramento. This partnership proposes a
20 public transit service from the UC Davis main campus in
21 Davis through downtown Sacramento, and to the UC Davis
22 hospital and health campus in Sacramento.

23 This new public transit service will replace an
24 existing charter bus service that uses diesel vehicles
25 along a corridor with high demand for more frequent

1 service. From the existing hourly service, the
2 partnership effort with Electrify America will achieve
3 high-frequency service up to every 15 minutes during peak
4 periods.

5 This type of transit service using battery
6 electric buses will reduce greenhouse gas emissions,
7 provide increased convenience to riders and attract new
8 riders, further reducing vehicle emissions. Many of our
9 current UC Davis students and employees utilize
10 single-occupancy vehicles to connect from Sacramento to
11 Davis because the existing transit service options are
12 infrequent.

13 We are projecting that the new service could
14 quadruple ridership. To support this new service, the
15 Electrify America contribution will fund 12 full-sized
16 electric buses and the charging equipment to support those
17 buses. We are leveraging this initial investment with
18 additional funds to operate the service.

19 Additionally, the Electrify America proposal has
20 prompted UC Davis to invest further with construction of a
21 new transit mobility center at the UC Davis Hospital.

22 For UC Davis, thank you for this opportunity to
23 comment. Our students and employees need more transit
24 options, and Electrify America has been a great partner.

25 Thank you.

1 CHAIR NICHOLS: Thank you.

2 MR. BLOCH: Honored Board members, good morning.
3 My name is Steve Bloch, and I'm the Western Regional Vice
4 President for ABB. ABB would like to thank the Air
5 Resources Board for inviting comments in an important step
6 that California will take toward enabling electrification
7 in its cities and along its highways, a step that will
8 support the State's clean air mission and improve quality
9 of life for all Californians.

10 California is home to hundreds of our 24,000
11 U.S.-based employees, along with two important product
12 groups ABB Digital and ABB Wireless, both of which deliver
13 the benefits of the industrial internet of things to our
14 customers, including EV charging infrastructure users. At
15 ABB, we've been deploying thousands of fast charging
16 stations around the world for nearly a decade. Because of
17 this experience, we deeply understand the challenges
18 related to investing in and managing large charging
19 networks.

20 Yet, we already see the right ingredients in
21 Electrify America's plan to build not just high-quality
22 charging sites, but sites with long-term operational
23 accountability that will meet driver's needs today and
24 well into the future, especially as millions more electric
25 vehicles hit California's roads in the coming years.

1 More specifically, ABB was award a contract by
2 Electrify America to supply both 150 kilowatt and 350
3 kilowatt charging stations. In deploying our high-powered
4 charging systems, Electrify America is offering EV drivers
5 the opportunity to benefit from the technology by reducing
6 charging times and making EV ownership easier.

7 Due to economies of scale, we've seen investment
8 in high power accelerate electrification adoption by other
9 markets, such as by medium- and heavy-duty fleets, which
10 is a critical sector for the state of California to reduce
11 emissions and meet its clean air targets.

12 In summary, the plan's focus on deploying
13 charging infrastructure to diverse communities and vehicle
14 types, while driving awareness of the numerous benefits of
15 EVs, will make significant strides in accelerating the
16 level of EV adoption.

17 For these reasons, we welcome and support CARB's
18 timely approval of Electrify America's plan.

19 Thank you.

20 CHAIR NICHOLS: Thank you.

21 Both of these are working, right, just to be
22 sure.

23 Okay.

24 MR. ADDIS: Sorry.

25 CHAIR NICHOLS: Great. No problem. Just want to

1 make sure.

2 MR. ADDIS: Good morning, Chair and members.
3 Reed Addis on behalf of Valley Clean Air Now also known as
4 Valley CAN. We are in support today. In particular,
5 based on our experience both partnering with your
6 organization and the regional air district in the San
7 Joaquin Valley, we've had the pleasure of implementing
8 State programs and local programs that have benefited
9 disadvantaged community members with new and used clean --
10 or, excuse me, used clean vehicles.

11 That effort has allowed us to have some expertise
12 on how to deploy these types of programs in these
13 disadvantaged communities, and therefore, have had the
14 opportunity to work under Cycle 1 on working with
15 education and awareness programs in the San Joaquin Valley
16 in disadvantaged communities.

17 We have found the efforts in Cycle 1 have allowed
18 us to actually enhance and almost double the number of
19 vehicles going into citizens' hands. Based on that
20 experience and working and providing comments on Cycle 2,
21 we've seen not only the continued commitment in the
22 education and awareness area to these disadvantaged
23 communities, we've seen an increase in funding and are
24 therefore very supportive today.

25 Thank you very much.

1 CHAIR NICHOLS: Thank you.

2 MS. JIMENEZ: Good morning, Chair Nichols and
3 Board members. My name is Lourdes Jimenez, and I'm here
4 on behalf of San Diego Gas and Electric in support of
5 Electrify America's Cycle 2 zero-emission vehicle
6 investment plan in California.

7 Also, just as a quick side note, as a native San
8 Diegan, I want to congratulate Supervisor Roberts for all
9 his contributions to the San Diego region and to the
10 State. I've basically grown up with you, so --

11 CHAIR NICHOLS: You get extra time for that.

12 (Laughter.)

13 BOARD MEMBER ROBERTS: Give her an extra minute.

14 CHAIR NICHOLS: Very clever. Yeah, exactly.

15 MS. JIMENEZ: San Diego Gas and Electric service
16 territory accounts for approximately 50 percent of all
17 greenhouse gas emissions. Light-duty vehicles in
18 particular make up approximately 97 percent of all
19 registered vehicles in San Diego county, and are
20 responsible for approximately 80 percent of combined
21 on-road and off-road GHG emissions.

22 Both, CARB and the Governor have proposed lofty
23 goals to assist with significant GHG reductions. To
24 achieve these goals, we need to increase the zero-emission
25 vehicle market across California through thoughtful

1 policies, legislation, incentives, and charging programs.

2 San Diego Gas and Electric is doing its part by
3 implementing an innovative infrastructure program and
4 engaging stakeholders in the creation of rate design, that
5 will incentivize zero emission adoption.

6 San Diego Gas and Electric believes that
7 Electrify America's Cycle 2 plan will help accelerate the
8 ZEV market across California including within
9 disadvantaged communities.

10 Again, we support their investment plan and
11 respectfully request the Board to approve -- to approve
12 today's plan.

13 In closing, we do want to recommend -- offer
14 recommendation for subsequent investment cycles, and this
15 is to -- we would like to see a greater investment in San
16 Diego Gas and Electric service territory, as we have one
17 of the largest metropolitan regions in the state.

18 San Diego and -- San Diego Gas and Electric is
19 currently -- oh, thank you. We look forward to working
20 with you guys.

21 CHAIR NICHOLS: Thank you. Two minutes is a
22 really short amount of time. Thanks.

23 MS. MATSUO: Thank you very much for giving
24 chance to speak here to support Electrify America
25 investment plan. I'm Ayaka Matsuo from Marubeni America

1 Corporation. And Marubeni is one of the biggest trading
2 companies from Japan. And we are distributing electric
3 vehicle charging stations to the -- all over the world.
4 And our partner manufacturer is Signet EV, Inc. It is
5 from South Korea. And Electrify America selected Marubeni
6 and Signet as a supplier of super high powered charging
7 stations in Cycle 1.

8 And in Cycle 1, we already delivered 200 chargers
9 to the site, and in -- and we will deliver another 200
10 units in next six months. According to the California, we
11 will start deliver from January -- next January.

12 I think the project is really going well. And we
13 sincerely support the Electrify America Investment Plan
14 Cycle 2 because, first, they're -- they are target future
15 proof and user-friendly charger. I communicate Electrify
16 America members for more than two years, and we know -- we
17 know they are really trying to make better chargers from
18 hardware side and software side both.

19 And their concept is, as you know, park, charge,
20 and go, so it's very easy. And I visited some Electrify
21 America sites and it's very clear and easy to use.

22 Second is charging speed. Our charger of maximum
23 charging speed is 350 kilowatts. And it means by one
24 minute charging, the charge -- electric vehicle can drive
25 20 miles. It's very fast, and it is enough for driving

1 and competitive compared with gasoline fueling.

2 So I think Electrify America charging, in our
3 view, make us to buy electric vehicle. And, yeah, thank
4 you very much.

5 CHAIR NICHOLS: Thanks.

6 MR. McCCLORY: Good morning, Chair Nichols, Vice
7 Chair Berg, and members of the Board. My name is Matt
8 McClory with Toyota Motor North America. And I really
9 appreciate the opportunity to make a comment today. My
10 remarks will be brief, and almost a repeat of our comments
11 from Toyota that was made at the Board hearing for the
12 first investment plan.

13 Toyota appreciates California's
14 technology-neutral approach to vehicle electrific --
15 electrification. And we strongly believe that the
16 investment plan should follow the same principle and
17 support the rollout of both plug-in and fuel cell
18 technologies.

19 As ARB staff have recognized, both battery and
20 fuel cell technologies will be critical and necessary to
21 meet the State's clean air and climate goals. And Toyota
22 supports the use of plan funds to expand the market for
23 both. We believe that the lack of investment in hydrogen
24 of both the first and now the second investment plan will
25 negatively impact the volume scale-up of fuel cell

1 vehicles in relation to battery electric vehicles.

2 Further more, exclusion of hydrogen from the
3 investment plan ignores the essential role that hydrogen
4 will play in the electrification of not just the
5 light-duty vehicle fleet, but also across the
6 transportation spectrum, including medium-duty and
7 heavy-duty vehicles, and seems to follow only a one
8 pathway for electrification while shutting out another.

9 In this sense, the proposal appears to not only
10 fall short of being technology neutral, but also arguably
11 not brand neutral, which, as we understand it, is a
12 requirement for the consent decree.

13 Toyota therefore urges the Board to instruct
14 staff to work with Electrify America to assure that
15 hydrogen is included in this investment plan, and if not
16 possible, to be included in the next series.

17 Thank you.

18 MR. COOPER: Good morning, Chair Nichol[SIC] and
19 members of the Board. My name is Pete Cooper. I'm the
20 Vice President here on behalf of Lucid Motors in support
21 of Electrify America's Cycle 2 investment plan. Lucid
22 Motors is an electric vehicle OEM with our global
23 headquarters and our development team here in Newark,
24 California. We launch our first electric vehicle here in
25 California from a U.S. factory in 2020.

1 In September of this year, we announced that we
2 had entered into an agreement with Electrify America for
3 them to provide our customers access to their ultrafast
4 charging network across California and the United States.

5 Electrify America's infrastructure is a critical
6 element of our go-to-market strategy. And our selection
7 came after an extensive and thorough review of our
8 alternatives. Central to this decision are Electrify
9 America's high power levels, nationwide coverage, and a
10 very well developed charging experience.

11 In our close work with Electrify America, both
12 before and after this announcement, their technical,
13 commercial, and operational credentials have been
14 resoundingly reinforced and their support of us has been
15 extent.

16 Lucid Motors is proud to be bringing a
17 zero-emission car to market here in California, but it's a
18 highly capital intensive process, and additional capital
19 for charging can be overwhelming. Working with EA to
20 provide electric ultrafast charging to our customers is
21 critical to our business plan.

22 We strongly support Electrify America's Cycle 2
23 investment plan and recommend approval.

24 Thank you for the opportunity to speak.

25 CHAIR NICHOLS: Thank you.

1 MR. MALTESE: Good morning, Board -- Chair
2 Nichols and Board Members. Thank you for having me today.
3 My name is Xavier Maltese. I'm the Government Affairs
4 Director for AAA. And on behalf of AAA and our 5.8
5 million members and Gig car share, we would like to
6 express our support for the Electrify America's Cycle 2
7 California ZEV Investment Plan.

8 Gig is the only free floating car share
9 program -- car share operation in Northern California.
10 This is a shared mobility venture introduced by AAA, a
11 not-for-profit member benefit organization. AAA is proud
12 to be a part of the Green City Initiative to support the
13 increased ZEV access in the City of Sacramento.

14 In the spring of 2019, Gig will launch a fleet of
15 260 EVs in coordination with the City of Sacramento's
16 Transportation and Planning Department. As a traffic
17 safety organization with over 100 years of history in
18 traffic safety and mobility innovation, bringing new green
19 mobility options to communities in need is a priority of
20 AAA and Gig, and we are here to support Cycle 2.

21 Thank you.

22 MS. RHODES: Good morning, members of the Board.
23 And thank you for what you do for our state and for
24 letting us speak today.

25 My name is Jessica Rhodes, and I'm the Director

1 of Strategy at 3fold Communications. 3fold is a local
2 marketing agency with a passion for the Sacramento region.
3 Our role with the Green City program is to positively
4 impact public awareness of zero-emission vehicles,
5 including car sharing, buses, shuttles, and infrastructure
6 locations with a focus on targeting underserved and
7 disadvantaged communities.

8 So how do we reach the hardly reached community
9 members not typically targeted by the ZEV industry? We
10 have formed partnerships with the Health Education Council
11 to engage low-income and disadvantaged communities; Impact
12 Foundry to mobilize the nonprofit sector; and Unseen
13 Heroes, a local event activation team for face-to-face
14 community engagement.

15 We started by evolving Green City to have a local
16 feel, launching Sac-to-Zero umbrella campaign, a
17 Sacramento movement towards zero tailpipe emissions.
18 Sac-to-Zero was created to educate and inform local
19 citizens about electric vehicles from start to finish.

20 We first met with Electrify America on August
21 22nd. And in just a short time we've launched the
22 Sac-to-Zero campaign website and social media accounts,
23 and produced multiple events, including launching Envoy
24 and activating DOCO last night for the Kings game.

25 In January, we will launch Sac-to-Zero's paid

1 media campaign bringing the EV message to community
2 members via transit, Light Rail, billboards, digital, and
3 supporting facilities.

4 To complement this promotional campaign, our
5 event strategy will directly engaged residents across
6 Sacramento through activations at local events they're
7 already attending.

8 One of the most important contributions and
9 components of our work is to facilitate marketing
10 collaboration across multiple stakeholder groups for Green
11 City, the City of Sacramento, the County through the PEV
12 Collaborative, Sacramento Regional Transit, Yolo County
13 Transit District, Franklin Boulevard Neighborhood
14 Corporation, and also external stakeholders including Gig
15 and Envoy.

16 By centralizing the feedback loop in this way,
17 we've established great work.

18 Thank you.

19 (Laughter.)

20 CHAIR NICHOLS: Impressive.

21 MR. McLANAHAN: Good morning, Chair Nichols and
22 Board members. My name is Mark McLanahan. I'm the CEO of
23 MaxGen Energy Services. We are based here in California
24 and are the nations largest clean Energy service provider.
25 We build EV charging infrastructure and provide operations

1 and maintenance services to wind and solar power plants,
2 and to EV charging infrastructure throughout the United
3 States. In the last three years, MaxGen has grown 10X to
4 700 employees, many of whom are in California in order to
5 support our partners as they build their portfolios.

6 MaxGen has worked closely with Electrify America
7 to bring about safe, high-quality, and reliable
8 infrastructure to support the adoption of EVs here in
9 California and nationwide. We strongly support the
10 efforts being taken by Electrify America in Cycles 1 and
11 2, because they are growing jobs in California
12 transforming transportation here at home and across the
13 U.S., and lastly are supporting many of the objectives of
14 California's Air Resources Board.

15 Electrify America's Cycle 2 plan will give
16 California the opportunity to stay at the forefront of
17 clean energy and electric vehicle adoption and will
18 support a long-term skilled workforce in the State. Thank
19 you.

20 MS. HOSTETTER: Good morning, Obrie Hostetter
21 with Hsubject. And I first want to start by thanking
22 Chairwoman Nichols and the Board for the opportunity to
23 support the Electrify America Cycle 2 Investment Plan. We
24 also want to thank the California Air Resources Board to
25 its commitment to interoperability.

1 We strongly support any and all infrastructure in
2 California that is committed to functional
3 interoperability. This improves access for EV drivers and
4 accelerates the adoption of zero-emission vehicles and
5 helps meet the Governor's goal of five million ZEVs in
6 California by 2030.

7 To give you a little bit of background, Hubject
8 is an electric vehicle charging platform that was formed
9 in 2012 to enable -- enable, excuse me, seamless
10 interoperability or roaming between EV charging networks.
11 Our vision is seamless EV charging for everyone
12 everywhere. We've currently connected over 100,000 charge
13 ports in more than 27 countries. And we utilize a
14 protocol called the Open InterCharge Protocol, or OICP.

15 We strongly support the Electrify America's
16 investment plan, because of its commitment to enhanced EV
17 driver experience. There's two things that stand out to
18 us. The first is its commitment to interoperability and
19 using both OICP, and OCPI, which is a the Open Charge
20 Point Interface protocols. This will give network
21 providers the option to choose which protocol is est for
22 them. And it will also enhance EV driver experience and
23 access to stations.

24 In addition to that, we also support the
25 inclusion of ISO 15118. This is a global standard that

1 will enable plug and charge, and will create a seamless
2 driver experience. Additional, use, cases for this are
3 also smart charging by directional charging and inductive
4 charging. And we're very excited to see this as part of
5 the plan.

6 Hubject is excited about the growing and
7 competitive EV charging industry in California. And we
8 thank you very much. And we urge you to approve the plan.
9 Thank you.

10 MS. KAUS: Hello. My name is Michelle Kaus. I'm
11 a senior property manager with BrixMor Property Group.
12 BrixMor is the second largest owner of shopping centers
13 across the country. I manage ten centers in Northern
14 California from Bakersfield to Vallejo. We work with a
15 variety of EV charging companies. And we see value in
16 working with Electrify America and the others, basically
17 for bringing that amenity to the shopping center. We
18 believe we get customers driven to the center, of course,
19 because they need the service. And then they will visit
20 the other tenants at the shopping center.

21 We, of course, want to be good stewards of the
22 environment, so the stations support our broader
23 sustainability plans.

24 I did want to set the record straight with
25 respect to rent, because there may be a misconception that

1 Electrify America or others are overpaying us for rent for
2 the real estate. And that's not true. Our brokers tell
3 me that on our outparcel deals, we get as much as eight
4 times more rent than we are getting from the Electrify
5 America deals and other deals.

6 And last, we want to encourage open markets. One
7 reason we're very happy with the partnership with
8 Electrify America is because the agreements do not require
9 any exclusivity. And that is not true of our other
10 partnerships, which means we are -- then have the
11 capability of bringing in multiple providers to are larger
12 shopping centers, which will probably be the case as more
13 and more consumers need the service. So we like that
14 flexibility.

15 And in the future, we don't know how these
16 operators are going to maintain their equipment and who's
17 going to have the best technology. And we like that
18 flexibility that our agreement with Electrify America
19 gives us.

20 So BrixMor sent me here to say that we are in
21 support, and we ask for the approval of the Cycle 2 ZEV
22 plan.

23 Thank you.

24 MS. RAHIMI: Good morning, Chair Nichols, Vice
25 Chair Berg and CARB Board members. My name is Angelina

1 Rahimi. I am the Community Development Director of the
2 Franklin Neighborhood Corporation, which is serving
3 disadvantaged Sacramento neighborhood along Franklin
4 Boulevard.

5 I am here to support Electrify America
6 initiative. In 2018, we responded to Electrify America's
7 request for zero-emission vehicle bus and shuttle
8 proposals. We teamed up with Sacramento RT to propose
9 electric on-demand microshuttle service in our
10 neighborhood.

11 Franklin Boulevard has been without a bus line
12 since 2008, which had an adverse impact on our low-income
13 residents' access to jobs and services, as well as air
14 quality, and the air quality of life in general. In June
15 2018, Electrify America invested in our idea. In August,
16 we launched the on-demand shuttle using a three shuttle
17 fleet. It's already a success with residents. And with
18 Electrify America's investment, we will soon replace the
19 shuttle with new quiet and comfortable electric shuttles,
20 and, of course, supporting DC fast charging
21 Infrastructure.

22 The average passenger per day has increased from
23 64 in August to 148 in October. We had days with over 200
24 trips. And the maximum rides a month has reached to 3,400
25 rides.

1 The Electrify America shuttle service is expected
2 to provide about 26,000 rides in its first year.
3 Consumers are able to request a ride using their
4 smartphone computer or by phone. More than 90 percent of
5 the microshuttle service territory is in low-income or
6 disadvantaged Sacramento neighborhood.

7 I would like to highlight two characteristics of
8 our community. Based on CalEnviroScreen 3.0 the southern
9 portion of our neighborhood is in census tract 98
10 percentile for air quality and 98 percentile for
11 unemployment.

12 So the need is great. Thank you so much.

13 CHAIR NICHOLS: Thank you.

14 MR. SAKS: Good morning, Chair Nichols and Board.
15 I appreciate the opportunity to speak. My name is Spencer
16 Saks with the Gualco Group on behalf of the City of Santa
17 Cruz, and I will keep this very brief for you.

18 The City of Santa Cruz is a large metropolitan
19 area that has a lot of SEV growth in this area. And we
20 encourage the Board to approve this resolution.

21 Thank you.

22 CHAIR NICHOLS: Good work.

23 (Laughter.)

24 MS. SEATON: Hi, Chair and Board. Good morning.
25 Phoebe Seaton from Leadership Counsel for Justice and

1 Accountability. We've been engaged in this process for
2 the past two years and have engaged and appreciate the
3 month that has passed since the last discussion to further
4 discuss some of the concerns and opportunities we see for
5 this program.

6 As has been discussed I think quite a bit this
7 morning, we kind of reiterate our kind of concern and
8 interest in seeing more infrastructure electrical --
9 electric vehicle support. In rural disadvantaged
10 communities, there's huge opportunity. We work with --
11 we're currently working with two ride share programs in
12 rural San Joaquin Valley and developing programs in the
13 Coachella Valley. And there's just incredible demand for
14 community driven ride share programs, and would like to
15 see more investment there.

16 We hear that there is significant amount of
17 investment to date in what is considered rural areas. I
18 think we continue to be concerned that those are
19 supportive of through-way traffic and freeway traffic
20 corridors, and not necessarily in service to the
21 community. We look forward to seeing more information and
22 data as to the extent that those investments have and will
23 support community -- community development and community
24 transportation needs, and would like to see as -- even
25 more investment in disadvantaged communities.

1 We think it's very important that investments in
2 disadvantaged communities are in service to disadvantaged
3 communities, not simply placed in disadvantaged
4 communities to the service of through-way drivers.

5 Thanks so much.

6 MR. HAUSSKE: Good morning. My name is Jared
7 Hauscke. I am the -- one of the partners and Chief
8 Strategy Officer of creative agency in San Francisco
9 called Eleven. We employ about 100 people in the Bay Area
10 that work predominantly with California based companies.
11 Also have the good fortune of working with Electrify
12 America to develop the national campaign and the
13 California campaign for the Cycle 2 efforts in July.

14 The ambition for the campaign that we're
15 developing and the ambition for Electrify America is
16 aligned with our collective ambitions here in California
17 to drive adoption of zero-emission electric vehicles with
18 a much wider more economically socially and culturally
19 diverse audience.

20 The work we've been developing is based on a very
21 clear belief, I think a belief that we all share, that
22 electric vehicle adoption and electric vehicle marketing
23 has been too focused on a very small subset of the
24 population, affluent, urban, environmentally focused
25 consumers.

1 For this subset, owning an electric car seems
2 like an obvious and positive thing. Zero emission is good
3 for the environment, sticking it to the establishment, if
4 you will.

5 But for mass adoption, this is exactual -- the
6 exact perceptual barrier that we need to overcome. For
7 mass adoption, we need to broaden the message and appeal
8 to a much broader mass audience. And to appeal to a mass
9 audience, we need to overcome a wide emotional barrier
10 that exists, the wide belief within people the electric
11 cars are for other people, not like them.

12 And we believe this emotional barrier is about
13 self-identity, and is what we need to overcome, if we want
14 to accelerate growth of zero-emission electric vehicles.

15 The work we'll be developing is intended to do
16 just that, to open people's minds to the idea of owning a
17 zero-emission electric car by making it feel normal, by
18 normalizing it and feel like a normal car and not
19 something unique or new for a subset of the people, but
20 the right car for everyone.

21 We'll be ready to launch in July. The campaign
22 will be heavily digital and social in nature. It will
23 launch and appeal to a broad audience, including rural,
24 low-income, and disadvantaged communities.

25 So, in short, we believe it would be a missed

1 opportunity for cost efficiencies and expediency to not
2 approve and move forward with the support for this.

3 So thank you.

4 CHAIR NICHOLS: Thank you.

5 Hello.

6 MR. LEVINE: It's not green. Oh, there. Okay.
7 It says green light must be on, but wasn't green.

8 CHAIR NICHOLS: Uh-oh.

9 MR. LEVINE: Chair Nichols and members, Lloyd
10 Levine here representing the Sacramento Electric Vehicle
11 Association, sacramento Electric Vehicle Plug-In
12 Collaborative, and just recently was told the National
13 Electric Automobile Association's representative couldn't
14 be here and asked me to speak.

15 We are in strong support of the Cycle 2
16 investment plan. All three organizations I spoke of
17 really focus on infrastructure deployment and driver
18 perspective. And we think particularly as it relates to
19 charging station deployment, this plan both enables
20 current drivers and fosters the development of burgeoning
21 market for future drivers. It takes into account the
22 changing structure of electric vehicles. When electric
23 vehicles first came to the market, most cars had an 85 to
24 100 mile range, with the exception of the Tesla, the very
25 expensive Tesla.

1 Now, we've seen about four affordable vehicles,
2 five affordable vehicles in the 200 plus mile range. As
3 those vehicles come to market, and more and more companies
4 release vehicles of extended range, charging behavior will
5 change. We can learn from the past, however, as we look
6 to the future. Most people charge at home. This plan
7 recognizes that most people will charge at home and
8 provides charging on corridors to enable longer commutes
9 not inter-neighborhood commutes. It also invests heavily
10 in inner-city urban areas, where people live in
11 multi-family dwellings.

12 And those are really the two areas we need to
13 focus on going forward as we look at charging
14 infrastructure deployment, enabling commutes on longer
15 corridors, such as Interstate 5, Interstate 80, Interstate
16 10 east to west, where you're not just commuting in your
17 neighborhood, and focusing on those Californians who don't
18 have charging infrastructure -- the ability to have
19 charging Infrastructure at home, who live in multi-family
20 dwellings.

21 This plan nails it for both current and future
22 deployment. We want to thank the staff and Electrify
23 America and urge your strong support. Thank you.

24 MR. GANT: Good morning, Madam Chair and
25 distinguished Board members. My name is Simeon Gant. And

1 I'm here representing the nonprofit Green Technical
2 Education and Employment, as well as the California Black
3 Health Network. And we are here in strong support of the
4 Electrify America's Cycle 2 proposal.

5 And for the reasons that -- for -- specifically
6 for the GreenTech Education Program, where we're teaching
7 high school and college students about career
8 opportunities in clean energy, energy efficiency, and
9 sustainable living strategies. And our tag line from way
10 back from 2008 was to give our young people an echo
11 advantage.

12 And what we're talking about here with Electrify
13 America moving into and assisting disadvantaged
14 communities, GreenTech is giving them an echo advantage.
15 And so if, in fact, we are working with Electrify America
16 where we just started conversations to work together for
17 education and outreach in these disadvantaged communities,
18 our goal is to create and give them an advantage. And
19 bringing this technology to communities like Del Paso
20 Heights, and communities like Oak Park here in Sacramento,
21 we will, in fact, give our students, and our young people,
22 and our communities, those that are ethnically diverse,
23 many that are actually of low income, we will give them an
24 advantage by reducing vehicle miles traveled, as well as
25 reducing emissions and improving our health conditions in

1 those communities. So we ask for your support on
2 Electrify America's proposal. Thank you.

3 CHAIR NICHOLS: Thank you.

4 MR. BASSETT: Good morning, Chair Nichols and
5 members of the Board. I'm Terry Bassett, Executive
6 Director of the Yolo County Transportation District.
7 We're not naive to alternative fuels. We've got -- we put
8 on enough miles on our CNG buses to go from here to Mars
9 on a good day anyway.

10 I'd like to mention that we've been working for
11 three years with UC Davis and Sacramento officials trying
12 to improve bus service between the UC Med Center and UC
13 Davis. And we've now reached the point where it appears
14 that we'll be successful in that.

15 Electrify America, RT, the City of Sacramento, UC
16 Chancellors -- Davis Chancellors office, and SACOG, along
17 with the Yolo Country Transportation District have worked
18 together to pull this off. We've negotiated most terms
19 and conditions with Electrify America. The way the deal
20 will work is Sacramento RT will purchase 12 battery
21 electric buses, half will go to them, half will go to the
22 Yolo County Transportation District. A critical thing we
23 just want to keep reminding everyone of is it's important
24 that we get approximately a 300-mile range per charge on
25 these vehicles in order to operate the level of service

1 that we're talking about exclusively with electric
2 technology.

3 The other interesting thing we're doing is we're
4 going halves with RT, where they're running half the
5 service and the Yolo County Transportation District is
6 running half the service. The reason we're doing that is
7 to avoid a war between the two agencies, so that we can
8 both go over the river and go into the other county and
9 work in a synergistic manner. So we're quite excited
10 about that.

11 And the last thing I want to make mention of is
12 there's also leveraging that's happening. We've been
13 successful getting \$3 million set aside by SACOG to pay
14 for the operations of this service, plus UC Davis is going
15 to be pledging a similar amount as well. So there were a
16 lot of connecting points that will benefit this project.

17 So, in summary, we're very happy with Electrify
18 America and what they've shown to date in terms of their
19 commitment to make this sort of project work.

20 CHAIR NICHOLS: Thank you.

21 MR. HENDERSON: Hi. I'm Brian Henderson. I'm an
22 EV driver and EV advocate from Tacoma, Washington.
23 Yesterday I drove my Kia Soul down from Tacoma down to
24 Sacramento here, about 750 miles coming down I-5 and then
25 through rural northern California down Highway 99, because

1 that's one of the few corridors you can actually travel
2 these days.

3 I'd just like to note to CARB how important
4 electric transportation is, not just to Californians, but
5 to people outside of California, the neighboring states,
6 and tourism, and hopefully future commercial
7 transportation as well, because there's a lot of trucks go
8 up and down I-5 with diesel fumes and stuff.

9 My biggest concern with electrification is
10 experience for the EV driver. And that's why I'm
11 voicing -- here to voice my comments today. My travels
12 yesterday involved four different networks over the 750
13 miles, so knowing each network. Finding chargers, there's
14 very little signage on the highways today.

15 So I know -- I realize this is beyond the
16 proposal, but this is stuff that CARB needs to look into
17 going forward.

18 So I'm in approval of the proposal today. I'd
19 like to support it, but I think there's more work. And I
20 think CARB needs to hear the voice of the EV driver more
21 going forward.

22 Thank you.

23 CHAIR NICHOLS: Thank you.

24 MS. McFALL: Good morning. I'm Casey McFall from
25 Milestone Consulting, and I'm here representing Self-Help

1 for the Elderly, and our coalition of ten community-based
2 organizations that are receiving Cycle 1 Electrify America
3 funding for awareness and education in low-income and
4 disadvantaged communities.

5 I wanted to, first of all, support Electrify
6 America's round 2 proposal and give you a quick update on
7 what we're doing in round one. We are a coalition of 25
8 community-based organizations that reach from the San
9 Ysidro border to here in Sacramento. For the purposes of
10 this proposal or this project that we're doing, we've
11 selected ten of our best community based organizations,
12 and are providing direct community education -- consumer
13 education averaging about 40 minutes in length on five
14 different ZEV topics, and doing culturally competent,
15 linguistically capable outreach and education through
16 ethnic media outlets that we anticipate will reach 930,000
17 people in the next six months.

18 This is important information for the communities
19 we serve. They won't get that kind of information
20 anywhere else. We're doing outreach in languages like
21 Swahili and Hmong that does not have a written language,
22 cambodian, a lot of different languages. Our coalition
23 has the capacity to serve people in 49 different
24 languages.

25 And with Cycle 2, if we are chosen to continue,

1 we would anticipate adding all of those languages and be
2 table to reach people probably in a year's time at about
3 five million. We've found working with Electrify America
4 to be wonderful. We've found them to stress brand
5 neutrality every step of the way. And they've been very
6 open to our ideas.

7 We also work directly with the CPUC and are
8 meeting with them tomorrow to see how we can connect those
9 efforts.

10 CHAIR NICHOLS: Thank you and thank you for
11 coming.

12 MS. MILLS: Good morning, Chair Nichols and
13 members of the Board. I'm Danielle Mills here on behalf
14 of the American Wind Energy Association of California in
15 support of approval of the Cycle 2 investment plan, as it
16 acknowledges key and really obvious linkages to the --
17 between the electricity sector and the transportation
18 sector, which we think are really critical to moving
19 toward our greenhouse gas reduction goals, and our air
20 quality improvement goals.

21 In addition to the \$5 million of allocations to
22 renewable generation at specific sites, we want to
23 acknowledge that wind, at both the distributed level and
24 particularly at utility scale, can provide really low cost
25 clean power to all Californians, keeping rates down for

1 everyone, keeping charging costs low, and really helping
2 the State double down on the investments that it's making
3 in disadvantaged communities and elsewhere throughout the
4 State, regardless of income level.

5 Wind is the cheapest form of generation
6 throughout the country, according to Lazard's Levelized
7 Cost of Energy. It is cheaper than natural gas in most
8 parts of the country right now. And we think that wind
9 for California can also complement California's really
10 robust solar profile by picking up in the evening hours,
11 when we tend to run our gas plants, and generating
12 throughout the night when it's most convenient for
13 consumers to charge their cars.

14 So while we haven't been deeply engaged in the
15 development of this plan, we do want to work as partners
16 in the future, and really appreciate your work on this.

17 Thank you.

18 CHAIR NICHOLS: Thanks.

19 MR. COHEN: Good morning, Chair Nichols, members
20 of the Board. Thank you for your time and attention this
21 morning. My name is Josh Cohen SemaConnect in strong
22 support of the Cycle 2 investment plan. SemaConnect is a
23 national manufacturer of smart networked charging
24 stations.

25 We're one of the three companies that won the bid

1 to help Electrify America deploy its Level 2 workplace and
2 multi-family charging network. We're responsible for
3 about 90 locations in Cycle 1 here in California.

4 SemaConnect provides the charging stations and
5 the back-end network to manage them. Our territory
6 managers work with property owners in their territories to
7 qualify and locate the sites. We rely on local
8 businesses, local employees to actually do the installs.
9 CSI electrical is one of the contractors who does a lot of
10 our installs in Southern California. Sprig Electric,
11 which is a union shop, does a majority of our installs
12 here in Northern California.

13 SemaConnect submitted written comments that are
14 on your docket -- that are in the docket. But I do want
15 to address one of the points that one of the previous
16 speakers made about incrementality.

17 In our view, there's no question that additional
18 funding is necessary to deploy charging stations at scale,
19 whether it's utility funding, whether it's government
20 funding, whether it's private dollars like Electrify
21 America. And so as an example, we have a number of
22 relationships with property managers across the country
23 and here in California. And there will be an office
24 building owner, a multi-family property owner that may
25 have a portfolio of 20 or 30 properties. And even if they

1 are willing to spend -- to write a check to deploy
2 charging stations, you know, six charging stations at one
3 property, another six or eight charging stations at
4 another property, the private investment is not there yet,
5 even for brands that recognize the value of charging
6 stations at their properties. That's why investment such
7 as Electrify America really is so critical.

8 So we're in strong support. Thank you very much
9 for your time.

10 CHAIR NICHOLS: Thank you.

11 MR. BOYCE: Hello. My greetings to the Chair and
12 Board. My name is Bill Boyce with SMUD. I'm here to
13 support Electrify America's Cycle 2 plan.

14 I want to touch on a couple things I don't think
15 anyone else has mentioned today, which is really some of
16 the new aspects of Cycle 2 versus Cycle 1 to really focus
17 on things like DC fast charging in areas that have
18 primarily multi-unit dwelling areas. We think that this
19 is a very important element that really has not been done
20 much before. So this is kind of new to the industry.
21 We've actually been promoting it for quite awhile. And we
22 think it will help address a lot of the challenges in
23 underserved areas, where there's no charging, and also in
24 some of those disadvantaged community areas that are so
25 tough to reach on.

1 Some of the other areas that are new that we
2 think are very important is the fact that it includes new
3 elements to support charging for shared mobility and TNC
4 operations, and also autonomous vehicles. We think it's
5 very important to try to support those new forms of
6 transportation from the get-go to get them to be
7 electrified to get the air quality benefits later on going
8 forward.

9 The last thing I'll touch on, of course, with the
10 Green City in Sacramento, we work very closely with
11 Electrify America. I can tell you they push us very, very
12 hard on schedule. So as far as being aggressive, we're
13 working with them right now on about 11 separate
14 installation construction areas. We meet regularly team
15 to team to try to figure out how to improve schedule all
16 the time. And, in essence, we are trying to cut our
17 normal construction schedules in half for them. So
18 appreciate the opportunity to make comments today.

19 Thank you.

20 CHAIR NICHOLS: That's helpful. Thank you.

21 Mr. Hargrove.

22 MR. HARGROVE: Madam Chair and Board members, I'm
23 Matthew Hargrove with the California Business Properties
24 Association. Before I get into my testimony, I just want
25 to say on a personal note, the work that you do here on

1 this Board has a direct impact on folks like myself. I
2 traded in my full size four door supercab pickup three
3 years ago for a hydrogen vehicle made by Toyota. So
4 I've -- myself have been personally impacted by this, and
5 I personally thank Dan Sperling for all of his work on
6 there.

7 But I say that before I get into my actual
8 testimony, because ARB has a track record of being able to
9 move markets, get people into these types of alternative
10 fuel vehicles, and we really appreciate it.

11 I represent commercial real estate. I represent
12 the International Council of Shopping Centers, BOMA
13 California, which is Class a office buildings, NAIOP of
14 California, which is industrial properties, and lots of
15 other private commercial spaces in the State of
16 California.

17 We're here today the strongly support the Cycle 2
18 ZEV investment plan that's before you, and we hope that
19 you will adopt it as is. We have over 10,000 companies
20 and lots of parking spaces in the State of California. We
21 think that the plan that is put before you makes a lot of
22 sense.

23 Parking spaces aren't free space in the state of
24 California. To develop a property, a parking space can be
25 valued anywhere from \$20,000 to \$60,000, depending on

1 where you're trying to develop that project. For one of
2 my members to be able to work with Electrify America
3 and/or other charging companies, being able to make the
4 freedom of choice of who they're going to work with, how
5 they're going to work with them, and how long it's going
6 to take them to make their project work are things that
7 our companies do every single day. We can't have
8 timelines on them.

9 We want to make sure that some of the ideas that
10 have been brought before you at the -- last week at the
11 stakeholder meeting we had about dividing up the markets
12 is rejected. We think that dividing up the markets and
13 limiting the choice, for which my members choosing who
14 they can work with, is not a good way to move forward.

15 Thank you very much.

16 CHAIR NICHOLS: Thank you.

17 MS. ROEDNER SUTTER: Good morning. I'm Katelyn
18 Roedner Sutter with Environmental Defense Fund. And I
19 just want to say we appreciate all the time and work that
20 has gone into this plan. And, in general, we're pleased
21 to support adoption with a couple of recommendations.

22 EDF believes this is a comprehensive well thought
23 out roadmap. And we're particularly encouraged to see the
24 well placed emphasis on consumer education, the focus on
25 energy rates specific to the DC fast chargers, the plan to

1 have renewably powered energy stations, and the
2 facilitation of demand response programs.

3 While we do encourage adoption, we believe the
4 plan could be further strengthened by including a couple
5 of additional elements. First, we'd like to see an
6 increased focus on medium- and heavy-duty vehicles. Those
7 sectors are substantial contributors to harmful pollution
8 in this state.

9 EDF also encourages inclusion in the plan to work
10 with utilities to develop rates that strengthen the grid
11 and help to integrate renewables. And finally, we ask for
12 care and some more consideration around deployment of
13 chargers to ensure that they're placed where they're going
14 to be most useful and beneficial to residents, especially
15 residents in low-income and rural communities.

16 So with these considerations taken into account,
17 EDF does encourage adoption of the plan.

18 Thank you very much.

19 CHAIR NICHOLS: Thank you.

20 MS. RAFALSON: Good morning, and thank you, Chair
21 Nichols and Board members for the opportunity to comment
22 today. I'm Sara Rafalson here on of behalf of EVgo. EVgo
23 is the largest public fast charging company. And we
24 strongly supported the Cycle 1 investment. However, after
25 through the implementation period of that, our policy

1 position has changed based on what we've seen in the
2 market.

3 And as a result, we would ask that CARB work
4 hand-in-hand with Volkswagen on modifying the plan to
5 serve more underserved segments, invest far more in rural
6 California, and ensure that Volkswagen's investments will
7 complement not hinder other efforts to install EV
8 charging.

9 For example, as was mentioned in the presentation
10 by Electrify America earlier, they have recently installed
11 a 350 kilowatt charger. We also announced, by the way,
12 that we had our first 350 kW commissioned this week in
13 Baker, California actually. But as related to the one
14 that was mentioned earlier by Electrify America, it
15 happens to -- that charging station takes place in
16 Livermore in a place where that parking lot already has
17 two EVgo fast charging stations.

18 And across the street, in fact, and you can
19 confirm this by looking PlugShare, there are two EVgo DC
20 fast charging stations across from that parking lot again,
21 and four Level 2s.

22 So when we're looking at efforts to complement
23 and have additionality so that there's more charging for
24 all Californians, I'd -- this is just one example that we
25 can point to there.

1 Also, I think, as was alluded to earlier, there's
2 been no suggestion by other companies to scrap or even
3 divide markets. I think what we have called for and hope
4 to see with modification as was done in Cycle 1 is to just
5 have a more balanced approach to the way that the
6 investment plan is structured.

7 Citing another example. So while there's about
8 two million being spent on rural Level 2 charging, there's
9 \$10 million spent on marketing for utilization of
10 Electrify America's own charging stations. And again,
11 that's something that's very challenging for other players
12 in the market. And I did raise that at the stakeholder
13 meeting.

14 Thank you for your time.

15 MR. HORVAT: Looking at the clock to see if we're
16 morning of afternoon. Good morning, Chair Nichols and
17 members of the Board. Thank you for having everybody here
18 today. My name is Ashley Horvat. I work for Greenlots.
19 I'm the Vice President of Partnerships. And Greenlots is
20 the leading electric vehicle charging software and
21 services company that is actually headquartered in Los
22 Angeles.

23 I've been in the industry for almost a decade and
24 I can tell you resoundingly that there is a lot of work to
25 be done as we all know. And having worked in the public

1 sector and private sector both at PlugShare, Greenlots,
2 and the State of Oregon, and working with just a wide
3 diverse range of stakeholders outside of California and
4 California, this process through the settlement has not
5 only ignited investment, it has also ignited
6 conversations. And communities are, I don't want to say
7 forced, but propelled to actually decide what they want
8 for their community, and taking an audit essentially of
9 the infrastructure that they have, and where Electrify
10 America can fill in the gaps, where companies like
11 Greenlots, and ChargePoint, and EVgo can come in and help
12 augment that.

13 So we stand in strong support of Electrify
14 America's Cycle 2 investment plan, and we do urge the
15 Board to approve the plan.

16 The notion that -- so this investment is
17 coming -- this is in my remarks, but the investment is
18 coming at a time when the market does need motivated
19 capital. It was mentioned by SemaConnect, Josh, that the
20 private sector is just not there in terms of investment.

21 And that's to say that, you know, some of our
22 colleagues would say that it's there because they've
23 proven it. But outside of settlement and outside of
24 government funding, it's very difficult to make this work
25 at this juncture.

1 And so we strongly believe in the need for
2 competition. Collaboration over competition. Sometimes
3 competition is good. And the investment from Electrify
4 America has really propelled our company to invest in
5 California higher workers. We've grown tremendously over
6 the past year and a half. We work with our partners
7 across the aisle. We've worked with several
8 manufacturers, some of the same manufacturers that
9 Electrify America works with.

10 And so when you're thinking about some of these
11 fast charging technologies that are going out, just the
12 fact that we have multiple entities working on that.

13 So thank you for your time and I strongly support
14 this.

15 CHAIR NICHOLS: Thank you. I meant to comment
16 when the gentleman who drove his car down from Oregon was
17 speaking, that we've had really great partnership with
18 Oregon on electric vehicle issues, and the State of
19 Washington as well. There's a lot of interest up and down
20 the Pacific coast. And while, you know, there has to be,
21 I think, a recognition of the urban piece of this
22 infrastructure, it is not at the expense at all of the
23 rural areas. So I think, if anything, the partnership is
24 working to really enhance that focus.

25 Okay. Next.

1 MR. MAGAVERN: Good morning. Bill Magavern with
2 the Coalition for Clean Air. I love the new adjustable
3 podium.

4 (Laughter.)

5 MR. MAGAVERN: This Board has done so much to
6 reduce diesel pollution. And there's certainly a lot more
7 to do. But Supervisor Roberts reminded us of that really
8 pivotal moment when you declared diesel exhaust to be a
9 toxic air contaminant.

10 And then years later when you caught Volkswagen
11 in their criminal cheating on diesel emissions, you showed
12 the importance of really rigorous enforcement and on-road
13 testing. And now with Electrify America, we have an
14 opportunity to increase the momentum towards truly clean
15 transportation in this state.

16 So we support this proposal. We appreciate the
17 fact that Electrify America is trying to learn from their
18 actual experience. The fact that they reached out to us
19 and many others, and they listened and actually because of
20 our input and that of others, they increased the
21 commitment to disadvantaged community outreach.

22 There are other features about this plan that
23 we're particularly enthusiastic about, including the
24 charging for transit buses, the commitment on renewable
25 energy, and the addition of more metro areas.

1 So in conclusion, we do urge Electrify America to
2 try to go above and beyond their equity commitments. And
3 I think you'll hear more about that from my colleague Joel
4 Espino with Greenlining.

5 Thank you.

6 CHAIR NICHOLS: Thanks.

7 Should be Steve Ellis of Honda.

8 Are you here for this?

9 MR. SERFASS: Chair Nichols, he asked me to say
10 he had to leave.

11 CHAIR NICHOLS: So Joel Espino.

12 MR. ESPINO: Good morning, Chair and members of
13 the Board. I'm Joel Espino with the Greenlining
14 Institute. We've been advocating for racial and economic
15 justice in California for 25 years. We appreciate the
16 progress Electrify America has made on including efforts
17 to benefit low-income and disadvantaged communities in its
18 Cycle 2 plan.

19 While we support this progress, we withhold full
20 support, because we see areas for improvement and missed
21 opportunities. And we outlined those in our October 26th
22 letter, and I'll highlight a few of those here.

23 We see opportunities to increase transparency,
24 reporting, and clarity on activities benefited --
25 benefiting low-income people and disadvantaged

1 communities. We see an opportunity to increase investment
2 and partnership in poor rural communities in the Central
3 Valley and in low-income communities in the San Diego
4 region.

5 We see an opportunity for bolder action to
6 promote high quality jobs that are accessible to poor
7 folks, and individuals with barriers to employment. And
8 we see an opportunity for bolder action in low-income
9 outreach efforts, and in designing projects that increase
10 access to electric mobility for low-income individuals.

11 You know, the public and poor communities of
12 color hurt most by Volkswagen actions were not at the
13 table when this deal was struck. And so as a result,
14 Electrify America and the Board have a duty to the public
15 and to remedy these harms.

16 And I'll end with quoting the prominent lawyer
17 and social activist Bryan Stevenson when he said you can
18 judge the character and values of a society by how it
19 treats its poor and vulnerable.

20 We respectfully urge the Board and Electrify
21 America to push harder and leverage -- and leverage these
22 investments so that California's vulnerable and poor can
23 benefit most.

24 Thank you.

25 CHAIR NICHOLS: Thank you.

1 MS. LEWETT: Good morning, Chair Nichols and
2 Board member. My name is Maryline Lewett. I represent
3 Black and Veatch. It's a large engineering, permitting,
4 and construction company from Kansas City, as you can hear
5 by my accent.

6 (Laughter.)

7 MS. LEWETT: And I'm based in the Bay Area of San
8 Francisco. We do have seven regional offices in
9 California. We've been in the EV business and hydrogen
10 business for over ten years building infrastructure.
11 We're also in the clean energy industry, and we support
12 all technology. We are technology agnostic.

13 So today, I'm here in support of Cycle 2 for my
14 company. And we -- we were awarded the first DC charging
15 deployment for highway and metropolitan areas in
16 California. So we're currently building 165 sites on your
17 behalf. And I can testify that Electrify America is
18 pushing us very hard to meet deadlines, so we've been
19 adding employees. We've been hiring in California. We
20 have an additional 30 employees actually throughout the
21 state. And we're working with 700 contractors --
22 electrical contractors and civil contractors in order to
23 meet the deadline.

24 So we are participating in the training. We
25 believe it's incredible effort for California to prepare

1 this state for future technology and clean technology.

2 We are adding experts in the field to duplicate,
3 of course, this model to add EV charging stations. And
4 they apply to cars but also to buses and trucks. We
5 are -- we're looking forward to the new plan where we're
6 adding medium- to Heavy-duty vehicles, very important,
7 including school buses. And we -- we -- well, I'll stop
8 here. So thank you, and we're looking forward to work on
9 the Cycle 2 as well.

10 CHAIR NICHOLS: Thank you.

11 MS. VERDUZCO: Good morning, Chair Nichols and
12 members of The Board. My name is Iris Verduzco, and I'm a
13 resident of the City of South Gate, and I presently work
14 with the Moving Forward Network, which is based out of the
15 Urban and Environmental Policy Institute at Occidental
16 College.

17 The Moving Forward Network is a community-led
18 national network of over 50 organizations in more than 20
19 U.S. cities that protects communities that are
20 disproportionately suffering from the negative impacts of
21 industrial pollution, such as that that result from the
22 freight transportation system.

23 I am here today to provide some recommendations
24 on the Electrify America's California ZEV Investment Plan.
25 I would like to say that Electrify America has a profit

1 motive in where they select locations. We need to make
2 sure more funding goes to disadvantaged communities, and
3 to not just go to cities like Beverly Hills and Santa
4 Monica.

5 It's Air Resources Board's duty to make sure that
6 they spread the benefits more broadly given communities
7 like mine suffer disproportionately from air pollution.

8 This plan should include more funding for
9 charging medium- and heavy-duty vehicles like buses and
10 trucks in disadvantaged communities. There is a need to
11 generally electrify railyards and ports. Additional
12 funding allocated to this goal would go to provide a place
13 for trucks to plug in as they are entering or leaving
14 railyards and ports.

15 Electrify America needs to build their competency
16 in these sectors and adding more of this investment,
17 especially in disadvantaged communities, as this is
18 important

19 Our communities need zero-emissions technology
20 now. I came up from Los Angeles to support the Innovative
21 Clean Transit regulation that will be discussed tomorrow.
22 I'm invested in the work that I engage in, not only on a
23 professional, but on a personal capacity as well.

24 We need relief from toxic emissions. I ask the
25 Board that you protect public health, advance clean air,

1 and environmental justice. Please consider these
2 recommendations as you move forward in considering and
3 advancing this investment plan.

4 Thank you.

5 MS. GOLDSMITH: Good morning, Chair Nichols
6 members of the Board. And thank you, Supervisor Roberts,
7 for your many years of thoughtful and committed service.

8 I'm Hannah Goldsmith. I'm with the California
9 Electric Transportation Coalition. And we submitted more
10 detailed support and recommendations for Electrify
11 America's Cycle 2 plan. But today, we want to highlight
12 how essential adequate ZEV fueling infrastructure is to
13 reaching the State's zero-emission vehicle goals.

14 As it relates to electric vehicle charging
15 infrastructure, CalETC found that California will need to
16 invest over \$2.2 billion beyond known public utility, and
17 non-Electrify America's settlement funding by 2025 to
18 ensure adequate public light-duty infrastructure for
19 electric vehicle charging.

20 Electrify America's proposed second investment in
21 ZEV fueling infrastructure of about \$153 million is a step
22 in the right direction to reduce California's gap in ZEV
23 fueling infrastructure. However, because there is such a
24 large need, Electrify America's investment will continue
25 to leave room for significantly more private and public

1 sector investment.

2 We do support Electrify America thoughtfully
3 investing in charging infrastructure in a way that
4 complements existing investments being made. We thank
5 Electrify America for involving us in the development of
6 this plan, and following up with us on our feedback. We
7 support approval of this plan today.

8 Thank you.

9 MR. BARRETT: Good morning -- or good afternoon,
10 I guess. Will Barrett with the American Lung Association
11 of California. I wanted to say first off that we do
12 support moving forward with the proposal today. I was
13 happy to participate in the dialogue that staff held last
14 week. I thought that was very productive and raised a lot
15 of issues. And I think staff gained a lot from that
16 additional discussion. And we would echo the calls
17 earlier today to continue that kind of dialogue going
18 forward.

19 The key strengths that we see with this proposal,
20 really we seem them for the proposal as it is, and for a
21 foundation going forward for the next cycles, investment
22 in medium- and heavy-duty, investment in the rural areas,
23 and increasing that investment going forward, grants to
24 and outreach specific to disadvantaged communities.

25 I think we've heard the example of Valley Clean

1 Air Now, and the real benefit that that program has gotten
2 through this ongoing dialogue and investment.

3 Also, I wanted to say that a key strength was
4 that Electrify America did conduct a tremendous amount of
5 outreach, and we were happy to be on the receiving end of
6 that outreach and that dialogue. So I think there were a
7 lot of good strengths that we can build on, as we move
8 forward from approving today.

9 In closing, I think generally -- restate that we
10 support the proposal today and urge you to move it
11 forward. We encourage the enhanced monitoring and
12 reporting on progress to hitting all the benefits on all
13 the projects that we want to see. Stay on track
14 essentially. We want to make sure we're not going too
15 long. So it was helpful to hear that dialogue.

16 And then really ensuring that the investments
17 are -- that we're targeting are hitting our air quality
18 benefit goals that we need to hit for air quality and
19 climate, as well as ensuring that those benefits are
20 accruing to disadvantaged communities, going as far as we
21 can with the investments, and making sure we stay on
22 track. That those benefits are being accrued as we expect
23 them to.

24 So we look forward to working with the staff of
25 Electrify America and other stakeholders going forward.

1 We think this is an important step, and one to build off
2 of going into the future.

3 So thank you very much.

4 MR. MIDDLETON: Hello. Thank you, Chair Nichols
5 and the Board. My name is Derek Middleton. I'm here on
6 behalf of Innogy eMobility to support our --

7 CHAIR NICHOLS: I can barely hear you. I'm not
8 sure what the -- maybe you could raise the --

9 MR. MIDDLETON: I'm sorry about that. Is that
10 better.

11 CHAIR NICHOLS: Maybe you could raise the table
12 on your side, too. And you do need to speak right into
13 the microphone. Yeah.

14 MR. MIDDLETON: Sounds good. Is that better?

15 CHAIR NICHOLS: That's much better. Thank you.

16 MR. MIDDLETON: Wonderful. Thank you.

17 My name is Derek Middleton. I'm here on behalf
18 of Innogy eMobility to show our support for Cycle 2.
19 Innogy is a large German utility company. It's three
20 times the size of Edison, and it's providing only
21 renewable energy to Europe.

22 We have a large eMobility network. We've been
23 doing it for ten years. And we employ over 150 people in
24 the technology solutions industry for electric mobility
25 around the globe. We have a keen interest in the U.S.

1 market. And it has led to us to invest in two different
2 companies, BTCPower and also Recargo PlugShare. Our
3 interest is driven by the consistent policy and our
4 knowledge of the automakers.

5 With your support and Electrify America's Cycle 2
6 plan, we would like to resent -- it represents a reliable
7 pillar of investment in the industry that attracts capital
8 from companies like ours.

9 Thank you.

10 MR. KONCZEUSKI: Chair Nichols, distinguished
11 members of the Board, I'm representing Innogy. Konrad
12 Konczeuski. I'm also representing Broadband Power TelCom
13 and Recargo. Broadband Power TelCom and Recargo were
14 acquired wholly owned subsidiary of Innogy as of now.

15 I just would like to mention that we fully
16 support Cycle 2 implementation.

17 Thank you very much.

18 MR. MEZA: There we go.

19 CHAIR NICHOLS: It's fun, isn't it?

20 (Laughter.)

21 MR. MEZA: Good morning. My name is Frank Meza.
22 I'm the CEO of BTCPower. BTCPower is one of the partners
23 that have been selected by EA. And we build electric
24 vehicle DC chargers.

25 We are a minority -- we started as a minority

1 business enterprise. And we build our product in Santa
2 Ana California, and we've been building EV chargers for
3 the last eight years in California. With the investments
4 from EA, we have now grown to become probably the largest
5 EV charger manufacturer in the United States. And we have
6 increased our employment in California by 100 percent,
7 basically doubling our staff this last year. And we
8 project to double our staff again this next year due to
9 the -- due to the investments of -- from Cycle 1 and
10 hopefully with your approval in Cycle 2.

11 Thank you very much.

12 MR. BRUNELLO: Dear, Chair Nichols, Board
13 members. And Supervisor Roberts, Congratulations. I wish
14 I was from your district, but I'm not.

15 (Laughter.)

16 MR. BRUNELLO: My name is Tony Brunello. And I'm
17 speaking on behalf of EV Box today. EV Box is a global
18 manufacturer of EV charging equipment and related
19 cloud-based services with an installed base of over 60,000
20 Level 2 and 700 DC chargers in 45 countries. We're doing
21 our part for the ZEV movement, and we're aligned with the
22 efforts of Electrify America today and support their
23 proposal.

24 In fact, at the California Global Climate Action
25 Summit, we committed to place at least one million EV

1 charging stations by 2025 to help reduce CO2 emissions and
2 improve air quality.

3 We strongly believe the Electrify America's 800
4 million investment in California helps bridge the gap in
5 current and future EV infrastructure needs. With all the
6 numbers that were put out today, this means we're going to
7 need a 15-fold -- fold increase in current infrastructure
8 in just six years.

9 Every charger counts. Therefore, immediate
10 adoption of the Cycle 2 plan is essential, so we can meet
11 these infrastructure goals. The plan strikes a balance
12 between investment in charging infrastructure, market
13 development, and education and awareness. We particularly
14 appreciate the plan's increased emphasis on metro fast
15 charging and residential charging. With 90 percent of
16 drivers expected to be in metro areas and 80 percent of EV
17 charging currently happening at homes, these investments
18 will provide maximum benefits to EV drivers.

19 We urge you to support and approve the current
20 plan. Thanks for your time.

21 CHAIR NICHOLS: Thank you.

22 MR. MAGGAY: Good afternoon, Chair Nichols, Board
23 members. And thank you Supervisor Roberts for a native
24 San Diegan and someone who went to high school in your
25 district. Go Saints.

1 My name is Kevin Maggay. I'm with SoCalGas. And
2 I've spoken to this Board several times on -- urging for
3 technology neutrality and funding balance. And you're
4 going to get a little bit more of the same, but with a
5 little different twist.

6 Hydrogen, because of its range and its fast
7 fueling time, is critical to reaching long-term
8 zero-emission future, and we are very, very disappointed
9 that Cycle 2, similar to Cycle 1, had no investments into
10 hydrogen. We urge you not to put all of your
11 zero-emission eggs into one basket.

12 An effective way to accelerate massive change,
13 like large-scale deployment of zero-emission vehicles, is
14 to give people options, to let users decide which
15 technology fits for them, and to not completely shut-out
16 one single technology. We recommend reconsidering the
17 plan to include investments into hydrogen infrastructure.

18 Thank you.

19 MR. CHERKAOUI: Chair Nichols, Honorable Board
20 members. Thank you for the opportunity to comment.
21 Congratulations Supervisor Roberts. I've been debating
22 whether to use my two minutes to entertain you with bad
23 rendering of Bob Marley's redemption song, but I'll spare
24 you this.

25 (Laughter.)

1 MR. CHERKAOUI: My name is Abdella Cherkaoui, and
2 I work for Volta Charging. Volta is a nine-year old
3 company based in San Francisco. Our mission is to
4 accelerate the electrification of transport. We do this
5 by building, operating, and maintaining for the long term
6 a unique media platform that is combined with EV charging
7 or actually electric vehicle charging networks that are
8 combined with a unique media platform.

9 We do this at convenient public urban sites,
10 where the community at large goes outside of work at home.
11 And our model catalyzes EV adoption like no other. The
12 majority of socially independent commissioned studies have
13 shown that the wide majority of non-EV drivers who see
14 Volta Charging stations at the place where they shop, eat,
15 or play, between 70 to 80 percent of them say they will
16 consider an electric vehicle after seeing a Volta station
17 for their next car purchase.

18 It's also a unique model thanks to the strategy
19 of essentially siting that deliver most utilization on a
20 per port basis. We deliver four times more kilowatt hour
21 or electric miles per port, based -- compared to industry
22 average.

23 We're still a small network. But last year,
24 Volta delivered 14 million electric miles, half of which
25 in California.

1 I would like to make two short comments. First,
2 I would like to thank and applaud the leadership of the
3 California Air Resources Board and the staff for your work
4 on supporting and implementing California's plan on
5 getting drivers out of their gas cars and into
6 zero-emission vehicles. And as part of this, your
7 leadership and hard work with Electrify America
8 zero-emission investment plan.

9 And second, I would like to express Volta's
10 support to Electrify America's Cycle 2 plan. While Volta
11 and Electrify America have been working together to deploy
12 better EV charging, we've found them to be very open to
13 exploring and finding creative way to do this together
14 accelerating the impact of their plans.

15 Thank you.

16 CHAIR NICHOLS: Thank you.

17 MS. RONEN: Hi. Good afternoon. My name is
18 Ellah Ronen. I'm here on behalf of LA n Sync at the
19 California Community Foundation. We're a funders
20 collaborative that supports meaningful and responsible
21 investment to L.A. County, specifically with a lens on
22 low-income communities.

23 We've been partners with the City of Los Angeles,
24 the County of Los Angeles and a wide range of stakeholders
25 ranging from nonprofits, to utilities, to private sector

1 partners in Los Angeles really working together with
2 Electrify America to ensure that the plan reflects the
3 needs of the community, and that the investment made in
4 Los Angeles County is reflective of the potential and the
5 growth in the EV market in Los Angeles.

6 So I want to stand here on behalf of my -- the
7 members of LA N Sync and the Community Foundation, but
8 also the stakeholders that we've convened extensively in
9 support of this plan.

10 Thank you very much.

11 CHAIR NICHOLS: Thank you.

12 That concludes the list of witnesses that I have.
13 And so I am going to close the record at this point,
14 and -- close for further -- close it to any further
15 comments from anyone other than the Board members.

16 And I think to move this along, while there may
17 be some more discussion, I would like to see the
18 resolution that's before us put on the table.

19 BOARD MEMBER ROBERTS: I'll make that motion.

20 VICE CHAIR BERG: Second.

21 CHAIR NICHOLS: We have a motion. We have a
22 second.

23 All right. Are there additional comments or
24 questions that Board members have?

25 Dr. Sperling?

1 No. Okay.

2 BOARD MEMBER SHERRIFFS: Sure. Yes.

3 CHAIR NICHOLS: Yes.

4 BOARD MEMBER SHERRIFFS: Thank you. Thanks to
5 everyone for their testimony. Boy, I see we had an hour
6 on the agenda for this item and that time -- that hour
7 just flew by. Good work.

8 (Laughter.)

9 BOARD MEMBER SHERRIFFS: But obviously a very,
10 very important topic, and appreciate everybody's input.

11 You know, I guess three things. One, the rural
12 issue, two, the fuel cell issue, and three, the permitting
13 issue that I wanted to speak to.

14 In terms of the rural issue, I think a lot of
15 important things have been said. Yes, I would support the
16 Cycle 2, understanding that Cycle 3 is going to pay more
17 attention to the rural issue. And we ought to be doing
18 some catch-up not just increasing the commitment there.
19 The vision for electric transit that the State has set
20 includes rural. And it's certainly a tougher nut to
21 crack. But this is a great opportunity to be diving into
22 that and gaining some experience and knowledge. So I --
23 my expectation, I think all the Board members, is that
24 there would be an increased emphasis on what goes on on
25 rural.

1 And really, if only at the level of being --
2 understanding that located in rural, what does that mean?
3 How does that serve the rural community. Does it just
4 increase tourism or are rural people actually increasing
5 their buy-in to electric or what it means, so at the very
6 least?

7 The fuel cell issue, at the very least, it
8 reminds us as Board members that we need to pay more
9 attention to it and other items that come to us. But I --
10 I hear the plan where it says we're open, but the
11 economics haven't been right. And I guess I would ask I
12 understand that the settlement says that the economic
13 model is the station should be profitable. So I guess my
14 question, well, they don't need to necessarily be more
15 profitable than another alternative to be looking at it,
16 to be moving in that direction.

17 I guess one thing I would hope staff are paying
18 attention to whatever understanding we're gaining about
19 getting fuel cell technology out there. So what are we
20 learning from the VW settlement about what those barriers
21 are and how we can help overcome them?

22 And the permitting issue has come up. And
23 certainly as serving on a local air district, permitting
24 is a huge issue. I guess I would ask the staff, so what
25 can we do to help with that process? And it's important

1 not just for this, but many things that we try to
2 undertake. And whenever we try to introduce a new
3 technology, permitting is always an important issue.

4 So I would certainly ask the staff what can we
5 do. And I'm not necessarily expecting an answer today.
6 Although, gee, if you've got an answer, we'll take it.

7 (Laughter.)

8 BOARD MEMBER SHERRIFFS: But ask away, you know,
9 it's the holiday season.

10 (Laughter.)

11 BOARD MEMBER SHERRIFFS: Which reminds me, I'm
12 thinking of writing a heartwarming story about the -- you
13 know, the coming of age story of the EV -- because I have
14 a battery powered. And I just charge at home. I'm one of
15 those 99 percent residential. But everywhere I go, I'm
16 looking where could I charge? Not that I'm having range
17 anxiety, but partly, you know, it's that coming of age
18 Story. It's EV that wants to get out of the neighborhood
19 and dreams of what else is out there.

20 (Laughter.)

21 CHAIR NICHOLS: All right. Thank you.
22 Dr. Sperling.

23 BOARD MEMBER SPERLING: Just very briefly. I
24 think that we should clearly approve this. They -- you
25 know, Electrify America has gone out of their way to be

1 responsive. We've heard that from many. You can always
2 make things different. You know, at this point, it's not
3 a question of better, it's just different. And all of us
4 could come up with ideas of how we might want it a little
5 different. I'd like a hydrogen station in my
6 neighborhood, but I acknowledge that there's cost and
7 other issues.

8 So -- and on the hydrogen, you know, side, I've
9 been a strong supporter. In fact, I gave a keynote talk
10 at the Hydrogen Business Council two days ago here in
11 Sacramento, and certainly support them -- you know,
12 support those initiatives. But we, on the Board, have
13 done a lot to support hydrogen, and support -- you know,
14 most recently, we created special credits for -- through
15 the LCFS for them.

16 So you can't do everything for everyone all the
17 time. And I think this is about as good as it gets. And
18 so I have -- they have -- this has my strong support.

19 CHAIR NICHOLS: Thank you.

20 Yes, Mr. Serna.

21 BOARD MEMBER SERNA: Thank you.

22 So first off, I want to thank all the speakers,
23 but I especially want to thank all those that provided
24 their testimony and indicated their support from
25 Sacramento, from City, from SMUD, from Mr. Levine, Mr.

1 Gant. I think it's pretty obvious by the nature of that
2 testimony that the City's designation as a Green City and
3 as a recipient of the Cycle 1 investment by Electrify
4 America is paying dividends.

5 And I just wanted to stress -- and I, too, am
6 going to certainly support this, but I want to stress that
7 the 35 percent is -- it's not a ceiling, that's a floor,
8 right? So -- and as was indicated in the staff
9 presentation, or maybe it was the presentation by
10 Electrify America, that we're actually investing in excess
11 of that in places like Meadowview and here along the
12 Broadway corridor and near downtown Sacramento. Places in
13 the district that I have the good fortune of representing
14 as a member of the Board of Supervisors. So I can tell
15 you firsthand, especially when it comes to the ride share
16 programs that have taken off, it really is very satisfying
17 to see that that intent is being met and being met in
18 excess of that 35 percent. So I really do appreciate
19 everyone that's involved with this.

20 Thanks.

21 CHAIR NICHOLS: Mr. De La Torre.

22 BOARD MEMBER DE LA TORRE: Thank you.

23 I'll start with the fuel cell hydrogen thing. I
24 had a conversation with Electrify America about this. And
25 apparently -- and with staff following up on that. And

1 apparently, there's some work to be done. There was
2 money, and there's some work to be done in terms of
3 getting the right kinds of folks to step up and apply for
4 it. Obviously, in tranche 3 and 4, we'll want to make
5 improvements going forward on that. That was a concern.

6 I must admit, as recently as this summer, I was
7 very frustrated, maybe as -- maybe as frustrated as Dean
8 is. But at that -- since then, in talking to staff, in
9 seeing the movement that's taken place here with the
10 package, and, you know, frankly a good faith effort to
11 move along, I'm also frustrated that we don't have data,
12 but we're building the car as we're driving it. So I
13 understand that. I appreciate it. We have a couple more
14 tranches to go.

15 And in this next few months I think is where the
16 analysis is really going to have to kick in for us to see
17 if we're doing things correctly or incorrectly, where
18 it's, where it's not working et cetera. So I think the
19 place to be more vigilant is going to be in these next --
20 so that's kind of a warning to you.

21 I appreciate the movement that's taken place to
22 this point. And so with that, I will be supportive today.

23 CHAIR NICHOLS: Thank you.

24 All right. Mr. Roberts and then Ms. Mitchell.

25 BOARD MEMBER ROBERTS: Yeah, I'll be brief. Just

1 looking ahead and wondering how and where we get the
2 hydrogen part of the equation. How do we engage maybe
3 more in dialogue with them, how do we get maybe a more
4 robust program going?

5 CHAIR NICHOLS: -- I

6 BOARD MEMBER ROBERTS: And I understand what the
7 focus is here.

8 CHAIR NICHOLS: Yeah, I understand. I think
9 there's a lot going on on the hydrogen front, both at the
10 level of manufacturers and of deployment of fueling
11 stations. But of course, it's lagging considerably behind
12 where we are with the battery electric vehicles. And as
13 we saw from the chart and other comments, we are so far
14 behind in terms of what we need to be investing right now
15 in the plug-in vehicles, that I just -- I'd hate to see us
16 been diverting much from -- from the path that we're
17 already on.

18 I thought it was a step forward when Electrify
19 America agreed -- and I would welcome staff's comment on
20 this, but they made a commitment that -- and any new
21 stations that they were opening, that there would be the
22 possibility at least of adding hydrogen to that, if there
23 was an opportunity to do it, and, you know, somebody who
24 had the hydrogen there, and, you know, the ability to
25 actually bring it in.

1 I would welcome any correction if that is not the
2 case. But it seems to me that at this moment, that's a
3 pretty big thing to be committing to considering that, you
4 know, as a state, we're rolling out these stations in an
5 orderly fashion, but there's still only, what, 50, 60 of
6 them or so statewide. And that matches, frankly, the
7 deployment of vehicles right now. And we're beginning to
8 see that there may be some shifting in the manufacturers'
9 plans for where and how they want to be putting out fuel
10 cells as well.

11 So, Analisa, maybe you can enlighten us a bit
12 more.

13 ECARS ASSISTANT DIVISION CHIEF BEVAN: Sure.
14 Yes, they have been open to incorporating hydrogen and
15 open to investment opportunities that involve hydrogen
16 infrastructure as part of there looking at where they want
17 to invest in in ZEV infrastructure.

18 CHAIR NICHOLS: But the rollout of the hydrogen
19 vehicles is very much a -- from a center to an outer rim
20 approach, rather than trying to sprinkle them around the
21 state, because there just aren't enough of them to make
22 that a feasible strategy at least at the moment from what
23 I can see.

24 Ms. Mitchell.

25 BOARD MEMBER MITCHELL: Thank you, Madam Chair.

1 I also am in strong support of the Cycle 2 plan.
2 I do want to mention one thing that came up earlier was
3 that Cycle 1 actually began eight months later. And so
4 the results that we might have expected to see have been
5 delayed, and I think we need to recognize that.

6 I am concerned, as some others are, about the
7 permitting issue. And I have to confess guilt. I think
8 my city is one of those that is very hard to get permitted
9 in.

10 (Laughter.)

11 BOARD MEMBER MITCHELL: And I've heard that
12 complaint not just recently, but years ago from people in
13 the EV charging market. So I'm interested in that and
14 interested in finding a cure for it. I'm wondering if
15 there is out there somewhere a model ordinance for EV
16 charging stations. Does anyone know of that? And I
17 wonder if we can -- okay. Analisa.

18 ECARS ASSISTANT DIVISION CHIEF BEVAN: Thank you.

19 There's a few things happening in California to
20 address that. First, there was a law passed that
21 identifies charging stations as not needing a change in
22 use or a change in zoning, and that permitting should only
23 consider health and safety considerations. That should
24 have streamlined the process.

25 But what we're hearing from jurisdictions -- or

1 from charging companies is that jurisdictions aren't
2 recognizing that law. So we have some work to do to
3 outreach to permitting officials about that law, and
4 educate them about what should be under consideration when
5 reviewing a permit.

6 The second is that GO-Biz is working on a
7 permitting guide book, which is close to being published.
8 And so that should help identify what the considerations
9 are in looking at EV charging permit applications, and
10 also provide resources to permitting officials if they
11 have questions if something looks like it's different, or
12 they're just not sure what is normal or standard, who can
13 they ask questions of, so that maybe the process can be
14 sped up a bit.

15 BOARD MEMBER MITCHELL: Thank you. I'm glad to
16 see that there's some work being done on this. And I see
17 GO-Biz is here with us today. So I do think one of the
18 problems that we need to address is the outreach to all of
19 the local agencies that are -- have this task of
20 permitting. And we have some connections with the League
21 of Cities, with the Beacon Program that I think we might
22 use to get the word out, and start working with them a
23 little more closely.

24 And I'd be happy to work with our staff and with
25 the GO-Biz folks to pull that together and get the -- get

1 the program going, get the outreach going. So I offer my
2 help on that.

3 And I recommend approving the Cycle 2.

4 CHAIR NICHOLS: Okay. Mr. Garcia.

5 ASSEMBLY MEMBER GARCIA: Thank you, Madam Chair.
6 And thank you, staff, for bringing the item forward.

7 I know that it's been mentioned already the -- I
8 think the feeling that the rural communities in California
9 are kind of getting the short-end of the stick. But I
10 think it's worth restating that in the last presentation
11 for Cycle 1, we were told that we would get you next time.

12 And although I know that we have some letters in
13 support from colleagues of mine in the Assembly, Assembly
14 Member Reyes, who represents the San Bernardino area,
15 Assembly Member McCarty, we do also have a letter from 12
16 legislators, from both the Senate and the Assembly who are
17 deeply concerned with the level of investment going
18 towards rural California.

19 They made a recommendation that of the 200
20 million, perhaps 13 percent of that, mirroring the
21 population percentage of California, would be the level of
22 investment. Whether that be the most appropriate formula
23 to use or not, we could leave that up for debate or
24 deliberation, but nevertheless, the attempt to get greater
25 investment.

1 It kind of reminds me of when I take my little
2 girl to the store every time she asks for a toy, and I
3 always tell her next time. I tell her next time.

4 (Laughter.)

5 ASSEMBLY MEMBER GARCIA: And she's four years
6 old. And she now starts to ask and say, hey, you told me
7 that last time.

8 (Laughter.)

9 ASSEMBLY MEMBER GARCIA: And so that's a similar
10 message that we're hearing today from Electrify America
11 representatives. And although, I will recognize that
12 there are some strides being made to place the
13 infrastructure in key places of California, I will be the
14 first to confess and admit our district will be a
15 recipient of some of this infrastructure. But, you know,
16 nevertheless, I do have to highlight that there are a
17 tremendous amount of members in both houses of the
18 Legislature who are deeply concerned.

19 I also want to just point out that the last time
20 we were here deliberating or considering Cycle 1, we
21 talked about a plan for workforce training and
22 development. And that's something that's not included in
23 this plan as well. And so I'm hopeful that we can bring
24 forward some detailed approach. We had many of the
25 workforce training organizations and their partners here

1 before us the last time looking for something that would
2 also incorporate people from disadvantaged communities to
3 be able to integrate themselves into the space of
4 installment and the technology side of EV charging
5 stations.

6 I do want to just state someone said where you
7 see investments, you'll see adoption. That was a comment
8 made by one of the public speakers. And I truly believe
9 that by making strides to invest in rural California,
10 along with my colleagues who signed onto the letter, we
11 think that we'll move closer to meeting, you know,
12 California's goals as it relates to a cleaner
13 transportation system in our state.

14 So I just wanted to make those comments.
15 Clearly, you know, I'm not asking that we not approve this
16 project, that we put on hold \$200 million of investment in
17 California, but certainly that we be mindful moving
18 forward of the commitments that were made Cycle 1 and the
19 commitments that are being made here Cycle 2.

20 I appreciate my colleague and coauthor to the
21 op-ed, Senator Florez, in saying that, you know, today, we
22 have a presentation from one CEO and making commitments,
23 and we may or may not see the same person before us in
24 Cycle 3. And we have to kind of keep that in mind and not
25 forget about, you know, the objectives that we put

1 forward.

2 And can the plan be better? Absolutely. It most
3 definitely can. But this is the plan that's before us,
4 and I just wanted to make sure that I expressed those
5 comments on behalf of my colleagues in the legislature.

6 CHAIR NICHOLS: Well, thank you. I think, Mr.
7 Garcia, you reflect very admirably the level of concern
8 and involvement that we've seen on the part of the
9 Legislature. And it remains a high interest topic for
10 people from around the state, which is great, the
11 publicity around the Volkswagen. I don't even know what
12 to call it. I'll just say the case, the Volkswagen case
13 is ongoing. You know, it's level of concern people around
14 the world.

15 When I was at the UN meetings just this past few
16 days, there's interest in every corner of the world on the
17 future of electric vehicles, on the problems of the past
18 with -- particularly with diesel vehicles and awareness of
19 what we've been doing here. So we are more than just our
20 own selves. Although, we're a pretty important market, and
21 we are really a model for the rest of the world.

22 And we want the plan to be the best it possibly
23 can be. I do think that we've seen evidence of real
24 progress, whether we can give it all to the CEO or not, we
25 should -- he I guess will get the blame, so we might as

1 well give some credit for also having really advanced the
2 level of openness, and transparency, and reporting, as
3 well as the specific response to the concerns that we've
4 raised.

5 But as you point out, there's -- there's room for
6 improvement. And fortunately, these three-year plans are
7 just that. There is room within the cycle for shifts to
8 be made, for tweaks to be made. And I think that we can
9 hope to see -- hope to see some of that.

10 Ms. Takvorian.

11 BOARD MEMBER TAKVORIAN: Thank you.

12 I just -- there were a number of comments,
13 particularly related to investments in both disadvantaged
14 communities and rural communities. I wanted to just add
15 my support for those and the hope that those will be
16 integrated for the future.

17 I had a couple of specific questions so that I
18 could understand it better. I don't know if staff or
19 Electrify America might be able to answer those questions.
20 I wondered about the charging stations that are being
21 attributed to disadvantaged communities and whether those
22 are broken out by those that are on freeways adjacent to
23 or in disadvantaged communities, or if they're described
24 as being inside disadvantaged communities?

25 Because I think one of the speakers talked about

1 kind of going through disadvantaged communities, as
2 opposed to actually serving inside of disadvantaged
3 communities. So I wanted to get some additional
4 information about that.

5 And then I also appreciated I think your comment
6 about the learning from Sacramento. And clearly, from the
7 support that there is in Sacramento, there's a -- there's
8 a lot of support, and there's a lot to learn I just
9 wondered if there was -- there were more metrics that
10 perhaps we could see. So, for instance, there's just the
11 one slide in the slide show about the car share program.
12 I wondered if you have usage rates for the car share
13 program that you could share with us now. And if not, how
14 that might be incorporated in a future report.

15 And I'm also wondering about the community
16 outreach. You have a line about it in your report, and it
17 just -- I just wonder when you say you've had dozens of
18 meetings and spoke individually with 100 stakeholders
19 across the state, that doesn't seem like a whole lot, but
20 perhaps I'm missing something.

21 So I just -- wanted more clarification about
22 that, and incorporation of that data into future reports.

23 Thank you.

24 MR. PALAZZO: No, thank you for the question.
25 I'm -- so I start with the low-income disadvantaged

1 community engagement. From our side, I try to define it
2 before. Actually, we see a dual usage, especially for DC
3 fast charging stations. In some cases, they are located
4 directly in low-income disadvantaged communities. In some
5 cases, they are located in metro areas, and on highway
6 location, and can support 100 percent also rural areas.

7 So I think the way we are defining that, it's
8 very similar to the way we are looking MUD at the moment
9 to make a comparison and to make you a little bit more
10 concrete to you.

11 In Cycle 1, we're having workplaces and MUD
12 investment on Level 2 site. We are moving and evolving in
13 that by having a new concept for -- for MUD -- or serving
14 MUDs in Cycle 2. The way we're doing that, and this
15 applies also to the strategy that we're having on rural,
16 is that instead of having investment on trying to retrofit
17 existing MUD, we are investing into DC fast charging
18 station strategically located to serve multiple MUDs.
19 Actually, we are trying to simply take the same idea and
20 try to transfer it also in the rural concept. That's
21 demands that we made when we are saying to you that in
22 Cycle 1, 40 percent of all \$75 million can go directly to
23 serve rural communities.

24 In Cycle 2, 80 percent of the \$30 million can go
25 directly to serve rural communities. So this is a

1 strategy that we have behind it. We deeply believe
2 looking at the experience that we have inside talking to
3 the stakeholder that its -- stakeholder engagement that we
4 have in place -- I'm going to follow-up immediately on
5 that question -- we think it could be a winning way of
6 placing that. Of course, there no data available in the
7 market to have a confirmation of that.

8 I totally agree on Board Member De La Torre
9 comment that actually the upcoming months would be not
10 only for you, but also for us for Electrify America highly
11 monitored to understand which is the utilizations and the
12 metrics that we have behind the use cases that we are
13 selecting. And as already said, we are more than happy to
14 tricks -- to update and modify what we are discussing
15 today in case of need.

16 We have pure data-driven approach at the moment.
17 This applies to all the use cases that we are discussing,
18 and we are flexible to -- and ready to make other
19 decision, if needed, in case we do not see adoption or
20 efficiency.

21 On the second point, it's regarding the
22 outreach --

23 BOARD MEMBER TAKVORIAN: Sorry, just -- so it
24 sounds like we don't have clear metrics at this point, and
25 that a lot of what we're talking about is the projections

1 that you're making as you're developing your strategy. So
2 I just wanted to ask maybe, Analisa, if that can be
3 incorporated in the next report, in a more --

4 MR. PALAZZO: Sure.

5 BOARD MEMBER TAKVORIAN: -- metrics based way, so
6 that we can actually see -- because I'm still not clear as
7 to how -- I understand how disadvantaged communities can
8 benefit from things that are not in their communities, but
9 that's -- that's not how I thought this was to be defined.

10 So I think that needs -- we need to drill down on
11 that, so that we can really see it. That's what I'm
12 hearing from other Board members and what I hope your
13 commitment is. So I just wanted to be clear on that. And
14 if you don't have those metrics today, that's fine, but
15 maybe to incorporate in the future that work, Analisa?

16 ECARS ASSISTANT DIVISION CHIEF BEVAN: Yes.

17 BOARD MEMBER TAKVORIAN: Okay. Thanks.

18 MR. PALAZZO: Actually, you anticipated to me
19 because I want just simply to align that also the metrics
20 regarding the car sharing products will be included into
21 the quality report, and, of course, also the annual
22 report.

23 We started, you know, one month and a half ago.
24 So we still do not have really real data utilization,
25 which are accurate enough to make a first assessment.

1 But, of course, we are going to include this data into the
2 annual report. Okay.

3 BOARD MEMBER TAKVORIAN: Thank you.

4 CHAIR NICHOLS: We've taken a lot of time on this
5 issue, but I am willing to indulge anymore comments that
6 anyone has to make.

7 Okay.

8 VICE CHAIR BERG: And my comments really are
9 about the future. I'm drawn back to slide 10, where in
10 2025, we will still have 46 percent of California that
11 will not have infrastructure that will be sufficient for
12 need. So, to me, that says 46 percent of the people are
13 still going to be feeling left behind.

14 I think it would be an interesting exercise if
15 somebody could think about what is this going to look like
16 at the end? And if we could start talking about that now,
17 what can we do that will allow the Board to understand we
18 have another \$400 million. We talked about when we first
19 had this opportunity for this investment of \$800 million
20 how much money that sounded like. And we all realized
21 that it wasn't going to be a true game changer in the fact
22 that we needed so much more.

23 So I think setting expectations of what can we
24 expect, and what are we going to cover? I heard we should
25 do more heavy-duty. Heavy-duty is very expensive. We

1 should do more medium-duty. We need -- the needs are
2 great, and I think it's incumbent on us Board members to
3 understand that we can't -- I know we know we can't have
4 it all. But if we're going to divert some into other
5 areas, it has to come from something.

6 And so I would encourage staff to partner and
7 figure out how to look at, at the end of this process,
8 which should be around 2024, what is it we expect that
9 we're going to accomplish, and then come back to the Board
10 for some direction, so that we will be able to understand
11 where we're going, rather than constantly looking back as
12 to where are we and where have we been.

13 CHAIR NICHOLS: I think that's a very good
14 comment. I was about to recognize somebody who's in the
15 audience who's been working on these issues for a while.
16 But before I do that, I guess I would just say that there
17 are a number of groups that I'm aware of that are looking
18 at the idea of a massive need for zero electric --
19 zero-emission vehicles, sorry -- zero-emission vehicles
20 for the state of California and what kind of
21 infrastructure it would take to get us there.

22 And I think that this is an area where we may see
23 some action coming in the next year from the Legislature,
24 from the new incoming Governor directing the
25 administration to take a broader look at these issues.

1 And I agree with you that we have to look at the end
2 point.

3 We also are on a -- we recognize -- have to
4 recognize that the path to get there has to start
5 immediately. We can't wait around until we have complete
6 consensus on exactly how many or where we would need
7 charging facilities in 2025 or 2030. So it is an urgent
8 task.

9 I want to embarrass one of my colleagues, and ask
10 Tyson Eckerle to be recognized for having just received an
11 award from the Hydrogen Business Council for his Herculean
12 efforts on siting of hydrogen stations. And I saw in an
13 article that he was being credited for having helped with
14 the build-out of 36 open retail stations, 64 funded
15 stations, and thousands of vehicles that are going to be
16 coming by 2030.

17 So would you please stand up and at least be
18 acknowledged for that.

19 (Applause.)

20 CHAIR NICHOLS: He's a shy fellow, but he's very
21 persistent, and gets a lot done.

22 (Laughter.)

23 CHAIR NICHOLS: Okay. Thank you. I'm ready to
24 ask for a vote on this.

25 No, more?

1 BOARD MEMBER FLOREZ: I just have a comment.
2 Thank you. I took my time earlier, but I wanted to ask
3 staff, if possible, we hit this second cycle plan pretty
4 quickly. We just approved the first, now we're approving
5 the second. My estimation if we're looking at the way
6 this has gone, in 24 months we'll be looking at Cycle 3.
7 So I'm wondering if staff could consider looking at two --
8 two check-ins well prior to that with the Board.

9 I think as Ms. Berg just mentioned, it would be
10 good to have something in 12 months, and another 12 months
11 prior to the vote that would take place some 24 months
12 from now on Cycle 3, so we can actually get -- and I would
13 say that the site -- that particular report be heavy on
14 data and analytics on how well we actually do in Cycle 1.

15 So I would just -- it's nothing for Electrify
16 America to do, but I think from our metrics, this hits us
17 really quick. Last time it was on the agenda, it was at
18 the end of the agenda, and we were going to vote on this
19 very quickly. I think we've learned a little bit about
20 today as well from staff perspective.

21 If we could just get a handle on Cycle 3 with
22 some key performance indicators, some analytics behind
23 that, and then coming back to the Board in 2020 and 2021.
24 That would be probably preferable. And so we won't have
25 to pepper the CEO with lots of questions and decisions at

1 the dais, but we can all kind of be on the same page with
2 the numbers. So that would be my only request.

3 And I would ask please to call the roll, because
4 I will not be an aye vote on this today. I'm going to
5 reserve judgment for the -- for the next plan.

6 EXECUTIVE OFFICER COREY: We'll plan on the time
7 table of check-ins as you described. That's in addition
8 to the quarterly status reports as well, as well as the
9 other progress reports. But basically how is the program
10 implementing and where are we in terms of pulling Cycle 3
11 together. So, yes.

12 CHAIR NICHOLS: Okay. Was that a request for a
13 roll call vote?

14 BOARD MEMBER FLOREZ: Yes.

15 CHAIR NICHOLS: It was. All right. Then let's
16 go ahead and call the roll, please.

17 BOARD CLERK DAVIS: Dr. Balmes?

18 BOARD MEMBER BALMES: Aye.

19 BOARD CLERK DAVIS: Mr. De La Torre?

20 BOARD MEMBER DE LA TORRE: Aye.

21 BOARD CLERK DAVIS: Mr. Eisenhut?

22 BOARD MEMBER EISENHUT: Aye.

23 BOARD CLERK DAVIS: Senator Florez?

24 BOARD MEMBER FLOREZ: No.

25 BOARD CLERK DAVIS: Assembly Member -- oh, Ms.

1 Mitchell?

2 BOARD MEMBER MITCHELL: Aye.

3 BOARD CLERK DAVIS: Mrs. Riordan?

4 BOARD MEMBER RIORDAN: Aye.

5 BOARD CLERK DAVIS: Supervisor Roberts?

6 BOARD MEMBER ROBERTS: Aye.

7 BOARD CLERK DAVIS: Supervisor Serna?

8 BOARD MEMBER SERNA: Aye.

9 BOARD CLERK DAVIS: Dr. Sherriffs?

10 BOARD MEMBER SHERRIFFS: Yes.

11 BOARD CLERK DAVIS: Professor Sperling?

12 BOARD MEMBER SPERLING: Aye.

13 BOARD CLERK DAVIS: Ms. Takvorian?

14 BOARD MEMBER TAKVORIAN: Aye.

15 BOARD CLERK DAVIS: Vice Chair Berg?

16 VICE CHAIR BERG: Aye.

17 BOARD CLERK DAVIS: Chair Nichols?

18 CHAIR NICHOLS: Aye.

19 BOARD CLERK DAVIS: Motion passes.

20 CHAIR NICHOLS: Thank you. And thanks to all of
21 you who participated. Its really a terrific sign of the
22 interest on the part of the public and this issue.

23 We're going to take a lunch break. And I would
24 like to see if can be back here by 1:30.

25 (Off record: 12:45 p.m.)

(Thereupon a lunch break was taken.)

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1 A F T E R N O O N S E S S I O N

2 (On record: 1:40 p.m.)

3 CHAIR NICHOLS: Good afternoon, ladies and
4 gentlemen. We're going to resume our Board meeting here
5 with the presentation on two separate but related Board
6 items. The proposed amendments to the Cap-and-Trade
7 Regulation, and the proposed amendments to the regulation
8 for mandatory reporting of greenhouse gas emissions. We
9 did hear the staff proposal on these two items at the
10 November Board meeting, which was a month ago.

11 And we'd, I don't believe, need to go into
12 extensive testimony this time, although we certainly will
13 hear from the public. But I think we did so well with the
14 two minute limit on the last item, that I would like to
15 suggest that we continue with that this time around. If
16 anybody -- I saw some applause from that -- or at least
17 silent applause, so that's great.

18 Okay. Well, I'm going to take that as
19 overwhelming support for my proposal --

20 (Laughter.)

21 CHAIR NICHOLS: -- and suggest that we -- that we
22 do give this a two-minute time limit. So just as a
23 reminder for everybody, the Cap-and-Trade Program is one
24 part, but a critical part, of our entire plan for reaching
25 our 2020 and 2023 greenhouse gas emissions targets. It's

1 an economy-wide measure that places a price on greenhouse
2 gas emissions to incentivize actions that lead to
3 emissions reductions. And I can tell you that I spent a
4 lot of time this past week talking to people from around
5 the world who are interested in carbon pricing, and what
6 that actually means, and that look to California as one of
7 the world's examples of a place that is doing it, and has
8 made it work in a way that is good for the economy, good
9 for our concerns with equity, and overall economic
10 well-being. So there's a lot of people watching us.

11 Today's amendments are proposed in response to AB
12 398, which was authored by Assembly Member Eduardo Garcia,
13 who serves as a representative on this Board from the
14 Assembly. And, as you know, AB 398 was supported by
15 two-thirds of the Legislature when they reauthorized the
16 Cap-and-Trade Program.

17 The mandatory reporting regulation that we're
18 also dealing with today supports the Cap-and-Trade
19 Program, as well as the entirety of our greenhouse gas
20 emissions programs, and it requires the state's largest
21 emitters to report the data that we need to be able to
22 assess how we're doing with respect to those sources.

23 So, Mr. Corey, would you please introduce this
24 item?

25 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

1 As you noted, the first public hearing was on November
2 15th, 2018, where the Board considered staff's proposed
3 amendments to both regulations. And at that hearing, the
4 Board directed staff to make additional changes to both
5 regulations and circulate those changes for a formal
6 15-day comment period. Staff released additional changes
7 as part of the 15-day packages resulting in the final
8 proposal before you today.

9 And as discussed during the November hearing,
10 staff is proposing the amendments to the Cap-and-Trade
11 Regulation to conform to legislative direction in AB 398,
12 which was adopted in July 2017, as well as prior Board
13 direction.

14 The proposed amendments ensure that the program
15 will meet the requirements of AB 398. The amendments also
16 help to contain costs for businesses and consumers, and
17 increase environmental benefits to Californians, while all
18 the while reserving -- or rather preserving the programs
19 environmental integrity to ensure that we achieve our GHG
20 emission reduction goals.

21 And today's presentation will provide a short
22 overview of the amendments as well as the 15-day changes.
23 And in the staff presentation, you'll also hear about
24 changes to the mandatory reporting regulation that are
25 necessary to ensure that the EIM emissions leakage is

1 addressed by the electricity sector and supports the
2 environmental integrity of the Cap-and-Trade Program.

3 Staff requests that the Board separately approve
4 the amendments to the Cap-and-Trade Regulation and the
5 amendments to the regulation for mandatory reporting of
6 greenhouse gas emissions.

7 And with that, I'll ask and Abajh Singh of the
8 Industrial Strategies Division to give the staff
9 presentation.

10 Abajh.

11 (Thereupon an overhead presentation was
12 Presented as follows.)

13 AIR POLLUTION SPECIALIST SINGH: Thank you, Mr.
14 Corey.

15 I will start with the Cap-and-Trade Regulation
16 providing background, context, and an overview of
17 amendments and analysis. I will then present proposed
18 changes to the Mandatory Greenhouse Gas Reporting
19 Regulation to support changes to the Cap-and-Trade
20 Program. I will close with our recommendation to the
21 Board and a discussion of next steps.

22 Because we heard -- we just heard this item last
23 month, I'll provide a somewhat abbreviated summary of the
24 amendments and describe the 15-day changes made in
25 response to Board direction in November.

--o0o--

AIR POLLUTION SPECIALIST SINGH: This slide provides basic background on the program. I will focus on a few key points. The program is a key part of the overall strategy to achieve the State's greenhouse gas reduction targets. And the 2017 Scoping Plan Update found that a suite of policies that includes a Cap-and-Trade Program is the most cost-effective path to achieve the 2030 target, four times less costly than the alternative approaches that were evaluated.

The program is intended to work in conjunction with other established measures. To date, quarterly auctions have generated over \$8 billion for California climate investments, which is reinvested in California to reduce GHG emissions, strengthen the economy, and improve public health and the environment, particularly in disadvantaged communities.

For projects implemented to date, 51 percent of investments benefit disadvantaged communities, and 31 percent are located within disadvantaged communities.

--o0o--

AIR POLLUTION SPECIALIST SINGH: This rulemaking package is primarily in response to AB 398, and Board Resolution 17-21, which the Board adopted in July of last year. To accommodate AB 398, the proposed amendments:

1 Add to allowance price containment reserve tiers and a
2 price ceiling; reduce offset usage limits post-2020;
3 implement, "Direct Environmental Benefits in the State"
4 provisions for offsets, and; set post-2020 industry
5 assistance factors for allowance allocation.

6 Pursuant to AB 398, staff also evaluated whether
7 post-2020 caps should be adjusted to account for currently
8 unused allowances.

9 Board Resolution 17021 directed staff to take
10 specific action on post-2020 cap adjustment factors for
11 certain sectors, and assistance factors for the third
12 compliance period.

13 Staff is also proposing amendments to respond to
14 changes to Ontario's Cap-and-Trade Program, and to clarify
15 and streamline program participation and implementation.

16 I will discuss several of these items in detail
17 in the following slides.

18 --o0o--

19 AIR POLLUTION SPECIALIST SINGH: Prior to
20 starting the formal rulemaking process for these
21 amendments, staff conducted an informal public process and
22 held four workshops from October 2017 through June 2018.

23 In conjunction with these workshops, CARB
24 released discussion drafts of possible changes to
25 regulatory language, technical discussion documents, and a

1 summary of stakeholder comments received. This process
2 enabled staff to share preliminary ideas with
3 stakeholders, and solicit constructive specific feedback
4 on our proposals to inform our initial staff proposal,
5 which was released September 4th.

6 Following direction received in the first Board
7 hearing, staff released a 15-day proposal. Assuming the
8 proposed amendments are approved today, both regulations
9 will effect April 1st, 2019.

10 --o0o--

11 AIR POLLUTION SPECIALIST SINGH: In response to
12 AB 398, staff evaluated the concerns related to
13 overallocation, and the post-2020 caps. As we discussed
14 during the November Board hearing, staff analyzes this
15 issue and found the following:

16 Historical data shows a gradually increasing
17 price signal to incent reductions; The caps for 2013
18 through 2030 are set to conform to AB 32 and SB 32
19 statewide GHG reduction targets; the program has been
20 designed with features to support a gradually increasing
21 carbon price signal; staff and third-party analysis shows
22 the caps are binding on emissions through 2030; and
23 removing allowances would increase prices today and in the
24 future.

25 Staff expects the program with current its

1 current features will result in actions to reduce GHG
2 emissions to help achieve the 2030 target. As a result of
3 this analysis, staff is not recommending any revisions
4 that would alter allowance budgets or banking rules as
5 part of this rulemaking. As included in the draft
6 resolution and mentioned in the last Board hearing, staff
7 willing report back to the Board in 2021 on the actual
8 number of unused allowances from 2013 through 2020, and
9 propose any adjustments to the allowance supply as
10 necessary.

11 --o0o--

12 AIR POLLUTION SPECIALIST SINGH: This figure will
13 show the revised regulation's new cost-containment
14 features, with project allowance prices through 2030 in
15 2018 dollars.

16 We start with the auction reserve price, commonly
17 known as the floor price, which escalates over time. It
18 is shown in the dark line extending from 2018 to 2030.

19 Next are the current three tiers that make up the
20 allowance price containment reserve from 2018 to 2020.
21 Currently, the post-2020 reserve is a single tier that is
22 shown as the dotted line from 2021 to 2030, and I'll refer
23 to that as the current regulation. AB 398 directed staff
24 CARB to make specific revisions to the current
25 regulations.

1 Next, we show the new post-2020 reserve as
2 proposed in the amendments. Reserve tier 1, reserve tier
3 2, and the price ceiling. The price ceiling, as mandated
4 by AB 398, provides a firm limit on allowance prices. The
5 price ceiling is a relief valve that is accessed only in
6 the unlikely case of high-priced levels.

7 Building the new reserve tiers and price ceiling,
8 we sought to enhance cost containment of the program
9 relative to the current regulation. As you can see, in
10 2021, the proposed price ceiling and new reserve tiers are
11 well below the current regulation. The new reserve tiers
12 will remain below the current regulation price through the
13 2020's.

14 The price ceiling will be below the current
15 regulation price through 2026, and increases slightly
16 above the current regulation value from 2027 to 2030.
17 Relative to the current regulation, the proposed reserve
18 tiers provide access to more allowances at lower prices in
19 the period 2021 to 2030, initiating price containment at
20 lower values and over a wider range of prices.

21 --o0o--

22 AIR POLLUTION SPECIALIST SINGH: In the highly
23 unlikely event that the price ceiling is accessed, it will
24 provide a firm limit on allowance prices. When compared
25 to the existing regulation with the new reserve tiers and

1 price ceiling, price containment is initiated at lower
2 values and spread over a wider range of prices. In
3 addition, more allowances are made available for cost
4 containment.

5 Economic analysis shows negligible impact on
6 growth of the economy, employment, and personal income
7 even in the unlikely event that the price ceiling is
8 accessed.

9 As discussed in the first Board hearing and
10 outlined in the initial staff report, staff took into
11 account multiple criteria mandated by AB 398 when setting
12 the price ceiling.

13 --o0o--

14 AIR POLLUTION SPECIALIST SINGH: With regard to
15 AB 398 direction offsets, we reduced the post-2020 offset
16 usage limit as required, and include a provision that no
17 more than one-half of an entity's quantitative offset
18 usage limit may be sourced from projects that do not
19 provide direct environmental benefits in the state.
20 Direct environmental benefits in the state are defined
21 using the legislative definition.

22 We propose to implement the direct environmental
23 benefits in the State requirement using a performance
24 standard for projects that are in the state or utilize
25 GHGs sourced in the state, or by case -- case-by-case

1 review for those projects that are out of state, depending
2 on the project.

3 --o0o--

4 AIR POLLUTION SPECIALIST SINGH: The proposed
5 amendments follow AB 398 to set industry assistance
6 factors, which reflect leakage risk and industrial
7 allowance allocation calculations at 100 percent of the
8 post-2020 period. This has the result of increasing
9 protection against leakage.

10 Board Resolution 17-21 directed staff to evaluate
11 setting assistance factors in the third compliance period
12 2018 to 2020 at 100 percent as well. With the post-2020
13 revision mandated by AB 398, the assistance factors for
14 the years leading up to and following the third compliance
15 period are 100 percent for all leakage risk categories.
16 This reflects the Legislature's and the Board's direction
17 to minimize leakage risk for covered entities through
18 2030.

19 Also, maintaining current assistance factors
20 results in a spike in compliance costs under the current
21 regulation, while modifying the 2018 to 2020 assistance
22 factors to 100 percent results in a smoother cost
23 trajectory. Smoothing the transition into the post-2020
24 program is critical as the rate of reductions needed is
25 doubled relative to today.

1 In addition to the revisions to assistance
2 factors, the proposed amendments extend the alternative
3 more slowly declining cap adjustment factors for certain
4 sectors through 2030.

5 --o0o--

6 AIR POLLUTION SPECIALIST SINGH: The State
7 allocates allowances to electrical distribution utilities
8 and natural gas suppliers for the purpose of benefiting
9 their ratepayers, consistent with the goals of AB 32. The
10 proposed amendments clarify, enhance and streamline the
11 permissible use of allowance value allocated to these
12 entities.

13 The proposed amendments also clarify particular
14 activities that are not allowed, including compliance
15 activities, lobbying, and benefiting employees or
16 shareholders, but address key issues, such as wildfire
17 reduction activities, and educational programs.

18 --o0o--

19 AIR POLLUTION SPECIALIST SINGH: This slide shows
20 other proposed revisions, and responds to the Ontario
21 government revoking their Cap-and-Trade Regulation. Staff
22 proposed amendments to de-link with Ontario's program.

23 For the compliance offset program, the proposed
24 amendments revise and clarify provisions related to
25 successor liability; use of alternative methods to obtain

1 measurement and monitoring data; and regulatory compliance
2 and invalidation.

3 The proposed amendments also revise certain
4 allowance allocation provisions to ensure appropriate
5 levels of allocation for transition assistance and leakage
6 prevention, including for newly covered sectors.

7 Revisions related to the Energy Imbalance Market
8 are also being revised. This change will be covered in
9 more detail during the discussion of the mandatory
10 reporting regulation changes.

11 To improve program administration, the amendments
12 clarify and update registration and auction requirements,
13 processes, and procedures. Staff proposes to extend the
14 application deadline for the limited exemption for
15 emissions from the production of qualified thermal output,
16 known as the "but for" CHP exemption from 2014 to 2020, to
17 provide an additional application opportunity for entities
18 that potentially qualify for this exemption.

19 These and other revisions clarify and streamline
20 the program and enhance CARB's ability to implement and
21 oversee the regulation.

22 --o0o--

23 AIR POLLUTION SPECIALIST SINGH: Staff completed
24 a draft Environmental Analysis, or EA, for the proposed
25 Cap-and-Trade Amendments. The EA finds that the proposed

1 amendments will not cause any direct environmental
2 impacts, but discloses that it is foreseeable that
3 regulated entities will take actions in response to the
4 program causing potential indirect impacts.

5 These indirect impacts are primarily those
6 resulting from the existing Cap-and-Trade Program, which
7 have been previously analyzed and disclosed in prior
8 environmental documents, and which would not be
9 substantially altered by this rulemaking.

10 As noted previously, staff expects that many
11 adverse impacts will be avoid or mitigated during
12 environmental review by relevant permitting agencies for
13 specific projects. The draft EA was released for a 45-day
14 comment period on September 7th, 2018.

15 The public comment period closed on October 22nd,
16 and staff prepared written responses to all of the draft
17 EA comments received, including oral comments at the first
18 Board hearing, and written comments through the 15-day
19 comment period.

20 --o0o--

21 AIR POLLUTION SPECIALIST SINGH: Now, I will turn
22 to the report -- the proposed amendments to the Mandatory
23 Reporting Regulation, or MRR. Annually, over 800 entities
24 report data under MRR. And the data collected supports
25 multiple climate change programs at CARB, including the

1 Cap-and-Trade Program and the statewide GHG inventory.

2 Staff is proposing minor updates that clarify and
3 streamline the reporting requirements for emissions
4 product data, to ensure that reporting data are accurate,
5 complete, and fully support CARB's climate programs.

6 The changes proposed clarify the cessation
7 requirements for reporting and verification of certain
8 entities, and support the alignment of CARB's GHG
9 accounting and CAISO's Energy Imbalance Market.

10 --o0o--

11 AIR POLLUTION SPECIALIST SINGH: Under AB 232,
12 CARB must account for GHG electricity that is generated
13 in-state or imported to California to serve California
14 load.

15 The current design of the Energy Imbalance
16 Market, or EIM, does not account for all GHG emissions
17 from imported electricity under EIM and results in
18 emissions leakage.

19 In 2017, the Board approved a temporary solution
20 for the MRR and Cap-and-Trade Programs to account for this
21 emissions leakage. Under the current regulations, CARB
22 calculates the annual EIM outstanding emissions and
23 retires an equivalent number of unsold allowances from the
24 State's pool of allowances to account for the compliance
25 obligation associated with the emissions leakage.

1 Staff is proposing to replace the current
2 regulatory solution and require entities in the
3 electricity sector to proportionally share in the
4 responsibility of addressing EIM emissions leakage. This
5 narrows the scope of responsible entities to those already
6 participating in the MRR and Cap-and-Trade Programs.

7 Staff's proposal only addresses EIM transactions
8 and not the day-ahead market or regionalization.

9 --o0o--

10 AIR POLLUTION SPECIALIST SINGH: As previously
11 mentioned, in response to Board direction and stakeholder
12 comments, staff proposed regulatory updates in a 15-day
13 package. Revisions were made to the EIM proposal, staff
14 revised and clarified provisions for use of allowance
15 value, and updated allowance allocation provisions related
16 to leakage risk classification for new sectors.

17 In response to Board direction at the first Board
18 hearing, staff proposed a revised methodology to provide
19 increased transact -- transition assistance to
20 waste-to-energy facilities. As a reminder,
21 waste-to-energy facilities were exempt for the first two
22 compliance periods, meaning that CARB retired allowances
23 equally to their emissions instead of those allowances
24 going to auction.

25 Starting in 2018, and based on amendments the

1 Board adopted in 2017, these facilities now have to
2 procure and surrender some portion of their own
3 allowances. Staff expects that the new methodology will
4 increase total allowance -- allocation to the sector
5 beyond what was proposed in the 45-day proposal.

6 Fifteen-day changes also add allowance allocation
7 to legacy contract generators during the third compliance
8 period to help avoid a potentially disruptive change in
9 compliance costs as the one or two remaining legacy
10 contractors -- contract generators work to renegotiate
11 contracts.

12 --o0o--

13 AIR POLLUTION SPECIALIST SINGH: Staff recommends
14 that the Board approve both proposed resolutions,
15 including approving written responses to environmental
16 comments, certifying the final EA, and making the required
17 CEQA findings for the Cap-and-Trade Amendments.

18 If adopted, these amendments will be in effect
19 April 1st 2019.

20 --o0o--

21 AIR POLLUTION SPECIALIST SINGH: Staff is
22 proposing to address several items in a subsequent
23 Cap-and-Trade rulemaking. We plan to adjust the
24 allocation to the utilities in response to SB 100, which
25 increases the renewable portfolio standard to 60 percent

1 in 2030 from the existing 50 percent.

2 We will develop a methodology to provide
3 additional allowance allocation to industrial-covered
4 entities to minimize the potential for leakage resulting
5 from higher energy costs.

6 We want to recognize the role of fuel cells in
7 addressing air quality concerns under specific conditions.
8 These and any other amendments will be subject to our
9 usual public process before coming back to the Board. And
10 we will provide annual progress reports to the Board on
11 program implementation, such as noting that we had 100
12 percent compliance rate for the second compliance period.

13 --o0o--

14 AIR POLLUTION SPECIALIST SINGH: This ends my
15 presentation and we can take your questions.

16 Thank you.

17 CHAIR NICHOLS: Thank you.

18 Shall we just move to testimony at this point?

19 Okay. Let's begin then with Amy Brown and move
20 on.

21 Do we have the list posted? Yes, we do.

22 Okay. Is Amy Brown here?

23 MR. WEINER: Amy had to leave so I'm going to
24 take her place.

25 CHAIR NICHOLS: Okay. You to -- are you

1 testifying twice or --

2 MR. WEINER: No. Just take her off the list and
3 put someone else up.

4 CHAIR NICHOLS: Okay.

5 MS. DeRIVI: Good afternoon to the CARB Board and
6 to CARB staff. We wanted to express -- I'm Tanya DeRivi
7 with the Southern California Public Power Authority.
8 Wanted to express again our strong support for the
9 Cap-and-Trade Program. Also wanted to thank staff for
10 efforts over the last year to improve upon the municipal
11 use of allowance values, specifically adding in vegetation
12 management provisions to help with wildfire risks for our
13 utilities.

14 We look forward to working with CARB staff now
15 next year in a new Cap-and-Trade Rulemaking on our
16 concerns with potential implementation issues on the CAISO
17 EIM GHG accounting, and look forward to working with any
18 amendments with CARB and the CAISO to address potential
19 concerns in that regard.

20 Thank you very much.

21 CHAIR NICHOLS: Thank you.

22 MS. ROEDNER SUTTER: Good afternoon. Katelyn
23 Roedner Sutter. And I'm excited to learn that this goes
24 down. I didn't know that.

25 CHAIR NICHOLS: I know.

1 (Laughter.)

2 CHAIR NICHOLS: It's not just for tall people.

3 MS. ROEDNER SUTTER: That's right.

4 So Katelyn Roedner Sutter again with the
5 Environmental Defense Fund. Thank you for the opportunity
6 to provide comments today and at an appropriate height.

7 (Laughter.)

8 MS. ROEDNER SUTTER: I also appreciate staff's
9 work on this regulatory package, both the original one and
10 the 15-day amendments. EDF is pleased to support the
11 adoption of this package, though I would like to point out
12 two major recommendations for improving these amendments,
13 which we don't see reflected in the 15-day package.

14 First, as we have suggested before, we strongly
15 encourage CARB to begin working now to identify high
16 integrity emission reductions to back the price ceiling
17 units. When we -- you know, if, at some point, we hit the
18 price ceiling, of course, there will be units sold at the
19 price ceiling. And those need to be matched by
20 reductions. And we would like to see a stream of
21 reductions start ahead of time, so if that happens, we are
22 prepared to maintain the environmental integrity of the
23 program, rather than waiting to see what happens.

24 Second, EDF maintains our position that a modest
25 cap adjustment post-2020 is important to increase

1 California's climate ambition. Specifically, the 52.4
2 million allowances slated to be split between the two
3 price tiers post-2020 we think should just be removed from
4 the program entirely.

5 We don't see them as needed for cost containment
6 at this point, but we do see it as an important
7 opportunity to increase our ambition a little bit as a
8 State.

9 The Cap-and-Trade Program has been successful at
10 helping to reduce our state's emissions. And tightening
11 that post-2020 cap puts us on an even stronger footing to
12 meet our 2030 target.

13 So again, we would just respectfully ask CARB to
14 consider that.

15 And lastly, I just want to say thank you for
16 holding the line on the price ceiling. While we had
17 recommended an even higher one, we do appreciate that
18 there was no change in the 15-day package.

19 So thank you very much.

20 CHAIR NICHOLS: Thank you.

21 MS. FERRO: Hello. I believe Scott Henderson is
22 also not here.

23 Madam Chair, members of the Board, my name is
24 Anna Ferro. I'm from the law firm of Paul Hastings. I
25 represent Crockett Cogeneration, LP, which supports the

1 Cap-and-Trade Amendments before you today.

2 Crockett operates a cogeneration facility that
3 provides steam to C&H Sugar under steam sale contract
4 running through the year 2026. This is a legacy contract
5 that was executed before passage of AB 32 and does not
6 provide for recovery of Cap-and-Trade Program compliance
7 costs.

8 The current regulations sunset transition
9 assistance for legacy contracts without an industrial
10 counterparty at the end of the second compliance period,
11 causing legacy contract holders, like Crockett, to bear
12 stranded compliance costs alone for the remainder of their
13 contract durations.

14 We appreciate that the Board, via resolution
15 17-21, and staff, via today's draft amendments, have
16 recognized and addressed this issue. The proposed
17 amendments before you today would provide transition
18 assistance in the third compliance period and through the
19 remaining life of legacy contracts without industrial
20 counterparties.

21 Crockett supports adoption of the proposed
22 Cap-and-Trade Amendments.

23 Thank you.

24 MR. WEINER: Madam Chair, and members of the
25 Board. I'm Peter Weiner representing the Covanta. And I

1 apologize. Scott Henderson had to leave and take an
2 airplane back to the east coast, so I'm doing double duty,
3 but I won't ask for more time.

4 (Laughter.)

5 CHAIR NICHOLS: Okay.

6 MR. WEINER: I'm representing Covanta and both
7 the existing waste-to-energy facilities. This Board, in
8 many resolutions and reports, has found that
9 waste-to-energy management of municipal waste is
10 preferable to landfilling with regard to the reduction of
11 GHGs, and especially short-lived climate pollutants, such
12 as methane.

13 We have studies which show that this benefit
14 continues even after landfills adopt state-of-the-art
15 methane control. In Resolution 17-21, you directed staff
16 to provide transition assistance for the compliance
17 obligation that these facilities are now going to be
18 under. We were concerned that this transition assistance
19 was at such a level that it would threaten the continued
20 viability of these facilities.

21 Given that the CalRecycle diversion of organics
22 from landfills regulations are not going to be effective
23 until 2022 at the earliest and are of unknown efficacy, we
24 believe that we need waste-to-energy facilities as a waste
25 management option.

1 We're therefore very pleased that the Resolution
2 18-51 that will be before you has be it further resolved
3 that the Executive Officer will work with the existing
4 waste-to-energy facilities on alternative methods for
5 allocation for the purpose of additional transition
6 assistance ending by 2025, et cetera.

7 We're very pleased that we're -- that this
8 language is in there. I noticed that it was not in the
9 future Cap-and-Trade Rulemaking activity slide, but we
10 hope that was just an oversight.

11 As a result, we very much support the amendments
12 before you today, and look forward to working with you and
13 staff.

14 Thank you.

15 CHAIR NICHOLS: Thank you.

16 I don't think you should take the slides as being
17 particularly definitive as to what is before us.

18 MR. TUTT: Good afternoon, Chair Nichols, Board
19 members. Tim Tutt here representing the Sacramento
20 Municipal Utility District. SMUD supports the adoption of
21 the Cap-and-Trade and Mandatory Reporting Amendments
22 today. And as always, it's a pleasure and enjoyable to
23 work with your staff as the Cap-and-Trade Program unfolds.

24 I want to call your attention to an issue that
25 has developed, and that has -- SMUD will work with staff

1 to resolve in the next year or so. So, A, when
2 implementing legacy allowance provisions in the past, ARB
3 staff cut SMUD's legacy contract allowances provided in
4 the years 2015 through 2017 to reflect a proposed CPUC
5 decision to pass on some GHG costs in gas tariffs.
6 Understandably you don't want to provide us allowances if
7 we're already getting compensated for that portion of our
8 GHG costs.

9 However, that CPUC decision did not happen as
10 expected. No GHG costs were passed on in those years.
11 The 45-day language made SMUD whole and cured the cutback,
12 reflecting the revised CPUC policy. However, the 15-day
13 language then removed the cure. So again, we expect to
14 work with staff to resolve that issue in the future.

15 Also, SMUD is appreciative of the resolution
16 suggesting further work be considered in future
17 rulemakings on cost containment. SMUD continues to
18 believe that the escalation rate in the price ceiling is
19 too high, and the spread between the price containment
20 points should be larger.

21 And secondary emissions from the EIM market. It
22 is unclear what the impact of the EIM participant
23 methodology will be on the EIM market. A lot of new
24 analysis needs to be done, and is in the works to
25 understand the secondary emissions issue and the impacts

1 on the market.

2 We would add to this direction to develop and
3 implement a simple estimation based, or similar method, to
4 provide additional allowances to cover the ratepayer cost
5 burden of transportation and building electrification load
6 growth, removing the cap-and-trade barrier to pursuing
7 these vital State GHG reduction policies.

8 In closing, I just want to say we appreciate the
9 continuation of the current banking provisions. This is a
10 vital program component for a utility that is subject to
11 wide swings in available hydropower from year to year.

12 Thank you.

13 CHAIR NICHOLS: Thank you.

14 MR. MAGGAY: Good afternoon, Chair Nichols, Board
15 members. Again, my name is Kevin Maggay. I'm with
16 SoCalGas. And we wanted to express our support for two
17 things. First, the two-minute time limit we fully
18 support.

19 (Laughter.)

20 MR. MAGGAY: Second of all, we support the
21 Cap-and-Trade Regulation. We think that generally it is
22 very well done, and we commend staff for getting it to the
23 finish line. We did have a couple comments to make
24 though.

25 First, the proposed regulation specify that

1 electric utilities may use a portion of the Cap-and-Trade
2 revenues to find renewable energy or integration of
3 renewable energy. The regulation doesn't provide similar
4 language for the natural gas utilities, leading to
5 ambiguity on the treatment of two sectors. Renewable
6 natural gas, as you know, is an efficient way to reach our
7 short-lived climate pollutant goals by displacing high
8 carbon fuels at its endpoint, as well as mitigating
9 methane emissions.

10 We've spoken to staff on this topic, and they've
11 indicated that the natural gas industry does have the same
12 allowable uses of their Cap-and-Trade revenues. We would
13 just like to see that language explicit and articulated
14 clearly in the regulation.

15 Second, staff acknowledged in the ISOR that it
16 should consider adjustments to the natural gas utility
17 allowance allocation. In light of policies or efforts to
18 decarbonize the sector, such as renewable gas mandates or
19 other changes, such adjustments to consider allowance
20 allocations that's consistent with Board Resolution 17-21
21 that direct staff to evaluate approaches to ensuring
22 ratepayer protection for the natural a supplier sector.

23 1440 was signed into law, which requires the PUC
24 to consider biomethane procurement targets for natural gas
25 utilities. Therefore, consistent with the ISOR and the

1 Board resolution, we feel that it's appropriate for staff
2 to consider adjustments to the allocation -- or to the
3 allowance allocation for gas utilities at this time.

4 And we look forward to working with staff in this
5 next rulemaking to make that adjustment.

6 Thank you.

7 CHAIR NICHOLS: Thank you.

8 MS. BERLIN: Good afternoon. My name is Susie
9 Berlin. And I'm speaking through clenched teeth, not
10 because I'm angry, but because I had jaw surgery. I'm
11 actually -- I need to say that we are very pleased with
12 the revisions to the 15-day language. I'm representing
13 the Northern California Power Agency, and the Golden State
14 Power Cooperative.

15 And NCPA is a group of publicly-owned utility
16 members located in Northern California that are directly
17 impacted by the wildfires, and have long lobbied for the
18 ability to use the allowance value for programs that
19 strengthen the resiliency and reduce the wildfire risks.
20 And we strongly urge the Board to adopt that proposal in
21 the 15-day language.

22 The Golden State Power Cooperative are the --
23 represent the state's rural electric cooperatives. And
24 they rely heavily on the allowance value for various
25 programs. And my two comments are going to focus on

1 things that are very specific to those entities.

2 With regard to the use of allowance value for the
3 wildfire mitigation, we would like to see the Board
4 provide staff with the guidance and direction to ensure
5 that these programs can be implemented immediately with an
6 interim accounting mechanism, and that we not have to wait
7 until the provisions of SB 901 have been met, where
8 there's a statewide baseline or a specific methodology.
9 That we can do the methodology -- apply that as a true-up
10 after the programs are already put into place.

11 We think that the revisions with regard to the
12 use of allowance value, we would like to have seen them go
13 a little bit further with regard to existing programs.
14 And we'd like to see the Board direct staff to acknowledge
15 in guidance or in the ISOR that programs that are already
16 in place that have been utilized allowance value, continue
17 to be acceptable uses of allowance value, even if they're
18 not specifically delineated in the revised regulations.

19 And finally, with regard to the new regulations,
20 we'll be doing this again in a couple of months, we urge
21 the Board to direct that looking at the use of allowance
22 value for renewable energy projects that aren't RPS
23 compliant be specifically considered as we move towards a
24 greater zero and Carbon neutral policies.

25 Thank you.

1 CHAIR NICHOLS: Thank you.

2 Mr. Cunha.

3 MR. CUNHA: Well, the last time I was here it was
4 wood and it was a podium.

5 (Laughter.)

6 CHAIR NICHOLS: We do need you to speak right
7 into the microphone. You have a soft voice too.

8 MR. CUNHA: All right. Well, great. Madam
9 Chair, thank you very much. I like the new digs.

10 CHAIR NICHOLS: Yes.

11 MR. CUNHA: Since the last time I was here, so
12 it's been awhile.

13 Again, I want to thank Madam Chair for allowing
14 us to speak. I want to thank Dr. Sherriffs for his
15 attempt trying to move the last meeting. When we had our
16 San Joaquin Valley Board hearing, we were adopting our 2.5
17 plan at the same time. We were all planning to come up
18 here, hoping to have it done on Friday. And I want to
19 thank Dr. Sherriffs for his efforts to try to do that.
20 And, of course, your schedules don't sometimes allow that.
21 So again, I want to thank him.

22 I'm here on behalf of the Nisei Farmers League
23 upon the funding of this Cap-and-Trade monies are
24 significant to our farmers in our plan. If we do not
25 receive these type of incentive fundings, there's no way

1 our farmers can replace their tractors in a voluntary
2 program that we have achieved with your staff, and with
3 even EPA. So it's very important.

4 But also, I want to make a comment -- excuse
5 me -- is that the gentleman that came up here -- and I'm
6 here about that item. Whatever you can do to make my
7 farmers have a certainty on a price that's not going to
8 put them into where they don't know from year to year if
9 there's going to be funding or not, because farmers have
10 to have plan out. There's the only way it works. This
11 year, our crops -- several commodities crashed, did not
12 come out ahead at all.

13 But the gentleman that came here at the last
14 meeting, Mr. Will Scott, represents the African-American
15 farmers. There are about 89 of them. And their an
16 average age of 80 years old to 70, probably in that range.
17 He was the very first farmer to be in the Tractor Trade-Up
18 Program with ARB and EPA and was the first one that we had
19 with Lynn Terry absolutely showed up to crush a tractor
20 with Jared Blumenfeld and others.

21 Mr. Will Scott is a sharp man. He was in the
22 military on sub. He was with Pacific Bell.

23 And if you could, Madam Chair, if I could take a
24 minute more, please.

25 He is very sharp to educate young

1 African-American farmers to look at agriculture as a
2 possibility of a job, and he is doing that. When I see a
3 farmer like him taking his time to come up here, I would
4 hope that in the future we recognize the people that do
5 travel and what their skills are, and what they're trying
6 to do.

7 If it wasn't for your program to allow him in the
8 Tractor Trade-Up Program, he would never have been able to
9 get a used new tractor through the monies. It's very
10 important.

11 CHAIR NICHOLS: Could I please ask you to
12 wrap-up. I'm sorry, but we're -- you've used your time.

13 MR. CUNHA: And thank you very much. And I'm
14 sorry for my voice being not as loud as it should be. And
15 maybe that's a good thing for all of us.

16 (Laughter.)

17 CHAIR NICHOLS: That's okay.

18 MR. CUNHA: And again, thank you, Madam Chair.

19 And I hope that you work with us closely, and you
20 have. But it is important for the staff and Richard
21 Corey. I want to thank him for his efforts and Kurt.

22 So thank you, Madam Chair.

23 CHAIR NICHOLS: Thank you. Thanks for your
24 input.

25 MR. CULLENWARD: Good afternoon. Danny

1 Cullenward with Near Zero. I'm also a member of the
2 Independent Emissions Market Advisory Committee.

3 I'm going to share a few things today that I
4 think many of you have already heard from me, but I think
5 it's important to say the day when you're planning to
6 adopt these regulations.

7 I appreciate all the constraints that face the
8 Board and climate policymakers. But I think it's really
9 important to mention there has been no analysis in this
10 process of how the stringency of the Cap-and-Trade
11 Regulatory proposal is consistent, either with our
12 statewide emissions target for the year 2030, or with the
13 role that the Board identified for the Cap-and-Trade in
14 the Scoping Plan.

15 I just think that's incredibly important to point
16 out. I also want to point out, I think the responses to
17 comments -- this is kind of a remarkable process, where
18 there is really almost no response to most of the comments
19 that were issued in this docket, and that's a pretty
20 remarkable place to be, given the level of stringency of
21 the discussion that's ensued over the last year.

22 I think it's also important to say I respect the
23 work this Board has done on climate and other issues. The
24 analytical integrity of what staff have put forward does
25 meet the integrity, and do service to the reputation you

1 all have developed over decades.

2 I think it's important to say this, because we
3 face big challenges. And getting right with the facts and
4 the numbers is an important part of that. There is
5 language in the proposed staff resolution -- or, sorry,
6 the proposed Board Resolution to revisit the question of
7 whether or not there are too many allowances in the
8 program in the coming years, and to collect data at the
9 end of the program's third compliance period in 2020.

10 I think that's a positive development. I want to
11 thank you for proposing that action. I hope you'll
12 consider adopting that. But I think it's important for
13 people to know that if indeed trends continue in the
14 program, most of the extra allowances will be purchased,
15 and you could end up with a large volume of extra
16 allowances in private hands at the point at which you
17 would have to make decisions about trying to accelerate
18 the ambition of this program, which would lead to higher
19 program revenues -- I'm sorry, higher program costs in the
20 future, and fewer revenues to the State and the State
21 taxpayers.

22 So I think it's positive to take a step forward
23 in thinking about these issues, but there has really been
24 no analysis of the single most important variable in the
25 program designed to date, and that's after well over a

1 year of talking about this.

2 Thank you for your time.

3 MR. ADAMS: Good afternoon, Madam Chair. My name
4 is Bishop Lovester Adams, Senior. And I'd like to say I
5 appreciate this time and the opportunity for -- to come
6 back again and speak with you and the Board.

7 I'm representing the Baptist Ministers Conference
8 of Los Angeles and vicinity. I'm here today standing in
9 solidarity with the National Action Network of Los
10 Angeles, the Central Valley Latino Mayors Coalition, Latin
11 Business Association, Central Valley BizFed, Nisei Farmers
12 League, Holman United Methodist, African-American Farmers
13 Association, and the over 600 members of my local
14 congregation.

15 I have here the coalition letter, which I'm
16 certain that you all are very, very -- have already
17 received. But I'm very disappointed, and I'm speaking in
18 a very, very low tone voice, monotone voice, and not my
19 Sunday morning voice.

20 I'm disappointed and appalled, as some of the
21 comments made by the Board members at the hearing in
22 November, when myself, along with other community members,
23 traveled here to Sacramento to share our concerns with the
24 proposed price ceiling.

25 I would say today that I am here to tell you that

1 we are not an AstroTurf campaign whatsoever. We are real
2 people with legitimate concerns about your decisions that
3 will impact our local communities. As it stands right
4 now, many low income Californians cannot afford to live
5 near their places of work, because the cost of housing is
6 so high. Increasing transportation costs will have a
7 significant impact on those households in my community or
8 either in our communities.

9 The majority of the members of my local
10 congregation or surrounding community already deal with
11 escalated high gas prices as opposed to other areas of
12 Southern California. I ask this Board to please consider
13 the multitudes that will definitely be impacted should the
14 Board decide to move forward with this.

15 Consider single parent family homes, consider
16 those who are the minority who are simply just getting by
17 and cannot afford another price increase of any kind.

18 If you would bear with me a moment, please.

19 CHAIR NICHOLS: I will, considering you have a
20 whole group there.

21 MR. ADAMS: Consider the mom-and-pop stores that
22 will be impacted. Consider those who commute weekly to
23 and from work to their workplaces. Consider the cost to
24 keep food on the table and meet the needs of the families.
25 Consider the cost to keep the gas lights on from being

1 disconnected. I'm in the trenches of my neighborhood and
2 community every single week. I know perfectly well how my
3 people in the community are living. I know perfectly well
4 what the struggles and hardships are in my community. I
5 know perfectly well what the complaints and the needs in
6 my local community. And higher gas prices unfortunately
7 is not the answer.

8 Thank you for your time.

9 CHAIR NICHOLS: Thank you.

10 MR. GARCIA: Good afternoon, Madam Chair and the
11 Board. Thank you so much for this opportunity. My name
12 is Juan Garcia. I'm the owner of PG Cutting Services.
13 We're a concrete cutting and demolition contractor in the
14 Los Angeles Basin. And I was here in November voicing my
15 opinion and my concern about potential energy cost and
16 fuel increases.

17 And I'm just going to say that perhaps a decision
18 has already been made or not. But just in case it is to
19 adopt the new revisions, I participated in a case study
20 for my business on how it would impact my business. And
21 I'd like to offer -- I believe you guys have that
22 information already. But moving forward, I'd like to
23 participate with CARB side-by-side in the next couple
24 years, so in case there is another consideration for a
25 revisions or if this revision was the right thing to do,

1 we'll be able to show exactly how it impacted a small
2 business like myself and many others.

3 That's it. Thank you.

4 CHAIR NICHOLS: Thank you.

5 MR. BIERING: Good afternoon, Chairman Nichols,
6 members of the Board. My name is Brian Biering and I'm
7 here on behalf Turlock Irrigation District. Turlock
8 Irrigation District is broadly supportive of the
9 Cap-and-Trade as taking a lot of different efforts right
10 now to reduce its greenhouse gas emissions.

11 At the same time, as I've testified here before,
12 Turlock does serve a large proportion of disadvantaged
13 communities. And so the district is very sensitive to
14 potential costs of reducing its emissions. And that
15 concern has kind of come to a head in a couple of years,
16 both in the proposed regulations and the plans for moving
17 forward with the regulations.

18 The first is in respect to the Energy Imbalance
19 Market. TID is not currently a participant in the EIM,
20 but is considering joining the EIM. And as part of that
21 decision process, we'll need to weigh the potential cost
22 of losing allowances as part of the secondary dispatch
23 emission obligations. So we're appreciative of the staff
24 continuing to look at this in a follow-on rulemaking.

25 The other area is with respect to potentially

1 changing the allocations to address the new RPS
2 requirements of SB 100. And while we understand the
3 rationale for doing that, again, we are particularly
4 sensitive to losing allowances and having a higher cost
5 for some of our ratepayers.

6 And then I wanted to just offer one last
7 observation. One of the previous commenters had
8 questioned the sufficiency of the record and the
9 Board's -- in the Agency's response to comments. And I
10 have to say that as an attorney and someone who's been
11 observing these rulemakings for some time, I've always
12 found that the Final Statement of Reasons does fully
13 respond to the comments. So I didn't understand that
14 comment.

15 Thank you.

16 CHAIR NICHOLS: Thank you.

17 MS. SHROPSHIRE: Good afternoon, Chair Nichols
18 and members of the Board. I'm Robin Shropshire, and I'm
19 here representing Panoche Energy Center to support the
20 15-day amendment package and the Board's continued support
21 of an equitable legacy contract resolution.

22 Panoche continues to seek a well-functioning
23 Cap-and-Trade Program that includes a price of carbon for
24 all electricity dispatch. And we're committed to
25 continued good-faith negotiations with our counterparty.

1 We're hopeful that this issue can be resolved in
2 the next six months, and appreciate the continuing help of
3 staff and the Board to find a solution that works for all
4 parties and more importantly a solution that is good for
5 the environment and protects environmental justice
6 communities.

7 Thank you very much.

8 CHAIR NICHOLS: Thank you.

9 MS. HENRY: Good afternoon. My name is Lois
10 Henry, and I represent BizFed Central Valley. Our members
11 collectively represent about 20,000 valley businesses,
12 employing about 300,000 workers. Our members are very
13 concerned that, as proposed, the price ceiling for carbon
14 credits will cause dramatically increasing costs if we get
15 to the point of having to hit that carbon ceiling. And if
16 that happens, those costs will absolutely be passed onto
17 consumers in the form of higher fuel, and food, and
18 services costs.

19 Hard working Californians and business owners,
20 particularly in the valley, already pay a premium to
21 conduct business in this State, and cannot afford such a
22 cost increase.

23 The Legislature tasked the ARB with setting a
24 reasonable ceiling for these credits in order to create a
25 fail-safe to prevent a worst case scenario of a runaway

1 credit market. By setting the ceiling prices too high,
2 ARB would be setting the stage for exactly that worst case
3 scenario.

4 A well designed Cap-and-Trade Program has been
5 shown reduce carbon emissions, but dramatic make increases
6 in the credit ceiling prices that are proposed currently
7 puts the program and the economy at unnecessary risk.

8 BizFed Central Valley members urge ARB to set a
9 reasonable ceiling price for Cap-and-Trade carbon credits.

10 And we look forward to partnering with ARB in the
11 future to make sure this program works for Central Valley
12 residents.

13 Thank you.

14 MR. JACKSON: Good afternoon, Chair Nichols and
15 members of the Board. Alex Jackson with NRDC. I am here
16 as a long-time supporter of the Cap-and-Trade Program, but
17 unfortunately disappointed in the level of ambition
18 reflected in the package before you today.

19 We still believe the role of Cap-and-Trade ni our
20 climate policy is critical. We need to steadily increase
21 the price on carbon, we need revenue for investments, and
22 we need platforms to drive climate action beyond our
23 borders.

24 But we think the program can and should be made
25 stronger, to support greater emission reductions and that

1 this package missed opportunities to do so.

2 Indeed, I'd be hard-pressed to point to one area
3 in the market design before you that was left to staff's
4 discretion, where stringency won out over industry's
5 concerns over compliance costs. Instead, much of the
6 narrative surrounding this package concerned where to set
7 a relief valve price, which, if history is any guide, is
8 unlikely to materialize.

9 Now, WSPA is going to do what WSPA is going to
10 do, which we can't control for. But what I found
11 troubling was staff's response, which appeared to justify
12 its decision to stand firm on its proposal, in part at
13 least by pointing to its inaction on oversupply, on
14 banking rules, and other levers that would have impacted
15 actual prices in the market, not hypothetical
16 possibilities a decade from now.

17 Ultimately, with the climate crisis growing ever
18 more dire, we feel we need more ambition from our
19 signature climate policies, not less, and that this
20 package fell short.

21 However, I am encouraged to see language in the
22 Board resolution responsive to some of our concerns, which
23 I hope staff will take seriously. And more than that, I
24 hope tomorrow's discussion and update on the 2030 scoping
25 plan will set the stage for what we see is truly needed to

1 meet our climate goals. And that does not mean asking
2 carbon pricing to carry a weight it is fundamentally
3 ill-equipped to bear, but it does mean being honest that
4 this program cannot close the gap without substantial new
5 effort and engagement by this Board to be more responsive
6 and to promote policies to the sectors trended in the
7 wrong direction, from transportation and on.

8 Thank you.

9 CHAIR NICHOLS: Thank you.

10 MR. KRAUSSE: Good afternoon, Madam Chair, Board
11 members. Mark Krausse on behalf of Pacific Gas and
12 Electric Company. I represent a company, and myself of
13 course also, support the Cap-and-Trade Program, have for
14 many years, and do continue to support today with the
15 adoption of these amendments.

16 I want to start out by saying in particular, we
17 support staffs position on overallocation, and agree that
18 the current cumulative caps constrain GHG emissions
19 through 2030. Further, they support -- they support also
20 a rising price signal, which I think many of those who
21 criticize these adopt -- these amendments have said they
22 don't.

23 We also believe it's premature to make changes to
24 the allowance budgets at this point. And on the cadence,
25 we've been amending the Cap-and-Trade Regulation. I think

1 you've got plenty of opportunity later to come in and
2 change things, if necessary.

3 A few areas we'd like to continue to work with
4 staff on include allocation for the natural gas sector to
5 facilitate decarbonization of the gas system. And you
6 heard from my colleague from Southern California Gas
7 Company.

8 We work with staff on some of that. And if the
9 PUC enacts the program, or the utilities voluntarily enact
10 programs to put biomethane into our pipelines, we believe
11 that's a reason for a lower cap adjustment factor.

12 I will point to my friend Alex Jackson that this
13 is at least one area where staff denied business what they
14 were asking for, which was a lower cap adjustment factor
15 for the natural gas sector. So we'll continue to want to
16 work on that.

17 And then also expressly provide that allowances
18 can be used -- natural gas allowances could be used to
19 purchase and offset the costs of biomethane, another thing
20 we'd like to work with staff on.

21 And finally, we look forward to working with the
22 ARB staff and CAISO regarding the EIM accounting
23 strictures. And we think that that market is likely to
24 change as it develops, and would like to work with staff
25 to develop that.

1 So thank you very much.

2 MS. TSAI: Good afternoon. I'm Stephanie Tsai
3 with the California Environmental Justice Alliance.
4 You've heard from us throughout this. You know we're a
5 statewide alliance of grassroots community based
6 organizations that work directly with low income
7 communities and communities of color, many of which are
8 severely and disproportionately impacted by the negative
9 impacts of climate change.

10 You know, I think, as you all know, CEJA engaged
11 deeply in the legislative process leading up to AB 398. I
12 think we've been clear in our opposition to the program,
13 because it allows, you know, a lot of the disproportionate
14 local pollution to continue in our communities, and
15 because of the strong link between greenhouse gases and
16 other, you know, co-pollutants like criteria and toxic
17 emissions.

18 So I want to just draw attention to a couple of
19 things today. One is the recently published study by
20 Cushing-Pastor and a larger research group highlighting
21 the fact that regulated facilities have actually increased
22 emissions since the program started. And, you know, that
23 there is, you know, plenty of data on, you know, the
24 disproportionate impacts in low income communities and
25 communities of color. So I just want to, you know,

1 highlight that, because it was recently published and
2 updated over the summer.

3 I'll say that we remain concerned about the same
4 things that we've been talking about, the overallocation,
5 the oversupply of allowances, the lack of justification
6 for industry assistance, and the lack of meaningful
7 analysis showing how exactly the price will drive the
8 reductions that are called for in the scoping plan.

9 So with that said, I'm -- you know, it's
10 something to see in the resolution that there will be
11 workshops and continuing work on this, and we look forward
12 to continuing that.

13 Thank you.

14 MR. SHAW: Good morning -- or good afternoon, I
15 should say, Madam Chairwoman, members of the Board. I'm
16 Michael Shaw with the California Manufacturers and
17 Technology Association. I just wanted to appreciate the
18 time and effort that the Board, and particularly the
19 staff, put in to developing this amendment. Obviously,
20 there was much going into the development of AB 398 and
21 the legislative proposals going into this. But obviously,
22 implementing that becomes quite a different task. Quite a
23 bit of work has been spent -- time has been spent on that.

24 And we appreciate the elements that come into
25 this particular amendment that help address regulatory

1 certainty. That is obviously very important to industry
2 when it comes to allocating cost -- investment potential,
3 creating new jobs, and certainly providing greater
4 certainty in terms of those costs is very significant and
5 influential in that decision. Particularly, I'd like to
6 note the support for industry assistance, both in the
7 post-2020 period, as AB 398 directed, but also during the
8 third compliance period.

9 And that smoothing of the transition from the
10 second compliance period through to 2030 is very important
11 for industry. And as is noted by staff in their analysis
12 of justification for the third compliance period industry
13 assistance, the rapid increase of price, the doubling in
14 price that would occur for a short period of time, would
15 be quite disruptive to industry and to the jobs that they
16 support in all of our communities.

17 I would encourage the staff -- the Board and the
18 staff obviously, as I'm sure they will do to closely
19 monitor the prices as this is implemented. We know that
20 in the mid-2020s -- or we believe in the mid-2020s that
21 there will be a significant constraint imposed on,
22 industry, as a result. And the prices could go up
23 significantly as a result of that. So keep -- please keep
24 a close eye on that, as we will, most certainly.

25 In addition to that, we know that California's

1 leadership is the real benefit of the program that we are
2 attempting to implement here. It's not the actual
3 emissions reductions that this particular program will
4 achieve. It's the leadership that could be replicated
5 elsewhere in this country and the world.

6 And we appreciate the time and effort that
7 everyone has put into that as well.

8 Thank you.

9 MR. PERRY: Good afternoon, Madam Chair, members
10 of the Board. Max Perry on behalf of the City of Long
11 Beach. Just here to thank you and your staff for
12 incorporating the language in the resolution that explores
13 additional transition assistance for waste-to-energy
14 facilities, like the Southeast Resource Recovery Facility
15 located in Long Beach.

16 And that's it briefly. We look to -- look
17 forward to working with you all in the months to come and
18 thank you very much.

19 CHAIR NICHOLS: Thank you. You are the last
20 witness who signed up so. So at this point, I can close
21 the public testimony, and we can turn our attention to the
22 resolutions. There are two of them. And I believe we
23 will be able to vote on them together just as we did -- we
24 have in the past.

25 So however, there's been some comments about

1 resolution language, is there any response that the staff
2 wants to make to any of the suggestions that you just
3 heard?

4 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
5 SAHOTA: Good afternoon, Chair Nichols and Board members.
6 I believe many of the commenters that were referring to
7 resolution text, staff had drafted those concepts and
8 those ongoing discussions to continue into the draft in
9 front of you already. I did not hear any new requests for
10 new text for the resolution from the comments we just
11 heard.

12 CHAIR NICHOLS: Okay. Great.

13 BOARD MEMBER RIORDAN: Madam Chair?

14 CHAIR NICHOLS: Yes.

15 BOARD MEMBER RIORDAN: I don't know. Do you want
16 to put the -- a motion on the table or --

17 CHAIR NICHOLS: I think I'm ready, if everybody
18 else is. Sure.

19 BOARD MEMBER RIORDAN: Okay. I would be happy to
20 move those.

21 BOARD MEMBER DE LA TORRE: Second.

22 CHAIR NICHOLS: And Mr. De La Torre seconds.

23 BOARD MEMBER RIORDAN: Okay. May I just for a
24 --it has nothing to do with necessarily the resolution.
25 But there was, on the part of Mr. Garcia, who came quite a

1 distance today to talk about his concerns. And he made an
2 offer, which I think is worthwhile, because his is a small
3 company, I would judge. And I think for the larger
4 companies dealing with Cap-and-Trade, they can hire the
5 consultants, they can hire the engineers, they can hire
6 the people to deal with our rather complex issues that
7 involve Cap-and-Trade.

8 But for some small businesses, who have to really
9 think about how this might affect them, I think we need to
10 reach out to them, and I'm not sure whether that's through
11 the Ombudsman's Office or a staff member directly. But I
12 think his offer was, you know, work with me, see what
13 happens next year and the following year, if I understood
14 you correctly, Mr. Garcia. And I think that's something
15 that we ought to be willing to do and to sort of
16 understand.

17 And I think that might be the case with some of
18 the businesses from the Central Valley. So Madam
19 Chairman, I would like to encourage the staff to reach out
20 to some of these smaller businesses that may or may not be
21 affected, but at least they get accurate information on an
22 ongoing basis.

23 CHAIR NICHOLS: Yeah. I think that's a valuable
24 suggestion. We have worked in a number of different ways
25 to try to address the concerns about energy prices,

1 because that's what this is all about, smaller companies
2 that are not directly covered by Cap-and-Trade are
3 affected to the extent that their prices go up, or that
4 they're afraid that they might go up. And that was the
5 same issue that was raised by the Baptist ministers
6 coalition. It's a broad based public concern.

7 And it was the basis for the way we implemented
8 the whole program from the beginning working with the PUC
9 to address the ways in which energy prices get reflected
10 in actual bills that consumers pay. And that's probably
11 the most important element of it all.

12 But it's been a long time actually since that
13 first -- since those first conversations. You know,
14 it's -- this program has been ongoing. And at first, it
15 seemed odd to me that this attention was being focused on
16 the price ceiling, because the price ceiling, in and of
17 itself, as I think everybody on this Board understands,
18 doesn't do anything. It is not sending any particular
19 message, other than that we are prepared to step in, if
20 prices go up suddenly, and do something bit in a situation
21 we would have, we think, plenty of advanced notice.

22 But clearly, this broader question of the cost of
23 compliance with the Cap-and-Trade Program also has to get
24 folded into where we're headed with this whole 2030
25 Scoping Plan.

1 And so if it's okay, I would like to engage in a
2 bigger conversation tomorrow about not only what's going
3 to be in that plan, but how we're going to actually
4 prepare the plan, because we've learned, I think, some
5 useful lessons from the process that we've been engaged in
6 today. And I see some nodding on the part of the staff at
7 the table there. I'm hoping that you're prepared for
8 that, because I do think it's something the Board is going
9 to want to spend some more time talking about, and
10 possibly giving some direction.

11 But at this point, I don't know that there's much
12 we can do in terms of reassuring those who are concerned,
13 and have come here to voice their concerns, that we have
14 resisted many efforts, including some that we heard here
15 today, to take action to raise the price in this program
16 in order to, you know, either dramatically shrink the
17 number of allowances or raise the prices -- the floor
18 prices in order to either increase revenue or send a
19 stronger signal to the entities that are covered, that
20 they need to be taking more serious action.

21 And instead, we have actually stayed exactly on
22 course of where we were when we first adopted this
23 program, which is to have it send a price signal that's
24 enough so that people notice it, but -- that is those who
25 are in a position to make something happen notice it, the

1 companies that actually have to report, and take action,
2 and hold allowances, but at the same time not to use it as
3 the principal mechanism for achieving the greenhouse gas
4 reductions that we set out to achieve, because of our
5 concern that we wanted to not -- not be implementing a
6 program where we weren't quite confident that we could do
7 it in a way that wouldn't have a negative impact on the
8 economy.

9 And I think the proof of the pudding is now that
10 we achieved the results that we set out to achieve under
11 our original AB 32 goal, we met the targets ahead of time,
12 and we did it in a way that clearly has been associated
13 with improvements in the State's economy.

14 So we have a lot to feel very good about in
15 connection with this program. But, and the big but is, we
16 have a lot more reductions that we need going forward. We
17 now know that we are not on a line that's going to meet
18 the 2030 target, much less the 2045 goal of carbon
19 neutrality.

20 And so we're going to have to step back and take
21 a serious look at the role that Cap-and-Trade, and other
22 measures, play in getting us to that point.

23 So I would encourage the Board to be prepared to,
24 you know, think -- think bigger and think more broadly as
25 we -- as we face the next challenges, while at the same

1 time hopefully feeling positive about what we've been able
2 to achieve and our ability to navigate these waters.

3 I don't know if staff if you wanted to add some
4 additional thoughts to that, but that would be my comments
5 on the...

6 EXECUTIVE OFFICER COREY: Well, I think, Chair,
7 the point is well taken in terms of the context of the
8 Scoping Plan, which, as you note, really is about how are
9 we going to get to 2030 and even beyond that, carbon
10 neutrality? So that conversation is really, just as you
11 noted, and a good reminder of this is the 2020 target gets
12 us down to 431 million metric tons, our 2030 target is
13 260. Our carbon neutrality is zero.

14 And I think that's the proper place for that
15 conversation. We'll begin to discuss it tomorrow, as well
16 as the additional points that you just made about small
17 business impacts, and really how that analysis and process
18 will move forward.

19 CHAIR NICHOLS: Well, the point is well taken
20 that, you know, there are impacts that go obviously well
21 beyond those who are most immediately affected by these
22 regulations. And coming up with a better, more
23 sophisticated, better informed way of outreaching to small
24 businesses should be a part of -- part of our planning.

25 So thank you for that, Mrs. Riordan.

1 Other comments?

2 Yes, Mrs. Mitchell.

3 BOARD MEMBER MITCHELL: I want to thank our staff
4 for all the work they did on this. And I know that some
5 of them worked over the weekend, probably really long
6 hours to get this out. And thank you for all of that.
7 Thank you to our Executive Officer for his work done on
8 this.

9 I do want to make a comment about our -- the
10 waste stream in California. And part of this on the
11 Cap-and-Trade deals with a waste-to-energy facility that
12 are coming within the Cap-and-Trade Regulation now. But
13 the waste stream is bigger than just waste-to-energy. The
14 recycling stream, what CalRecycle is going to do. And I
15 know as we get into the scoping plan, that's probably the
16 place where we should be exploring this, and working with
17 CalRecycle, and the other agencies in California that deal
18 with our waste stream, because we're putting a lot of our
19 waste into landfills, which are productions of methane.
20 Is that the right way to go? Waste-to-energy also
21 produces greenhouse gases from combustion.

22 So it's not a problem that we alone can resolve,
23 but we need to be thinking about working in collaboration
24 with others in our State agencies to have a bigger
25 discussion about this, and to think about how we're going

1 to deal with this in the future.

2 The other thing I want to thank staff for is the
3 provision that the Executive Officer will review this
4 within the next year. And I want to make sure staff
5 understands that's a priority. We know things -- how
6 things change very quickly in California. And I think,
7 you know, a periodic review of this is important, as we
8 just talked about with the small businesses as well.

9 So thank you again for all the work you did it --
10 and did on this and the work over the weekend, the work in
11 the late hours. And I know it was a big task, but you've
12 done a good job.

13 Thank you.

14 CHAIR NICHOLS: Other.

15 Yes, Mr. De La Torre.

16 BOARD MEMBER DE LA TORRE: Thank you. I want to
17 start by referencing a comment that was made, because I
18 was the one who said it a month ago regarding AstroTurf.
19 I was very clear when I made those comments that I was
20 talking about a social media campaign. I was talking
21 about algorithms, et cetera. I was not referring to
22 anyone who was here at the meeting. It was all about this
23 AstroTurf artificial campaign through the media, through
24 advertising, et cetera. So I just wanted to make that
25 very, very clear.

1 Second, on the waste-to-energy, I appreciate that
2 staff has been working with those two facilities, the last
3 two facilities we're ever going to have in California
4 -let's be honest - of that type. And so this isn't going
5 to be something that's going to be an ongoing issue. It's
6 going to be about these two facilities, until their
7 natural life ends here in California, for whatever reason.

8 So I appreciate that staff is working on both of
9 those and trying to figuring something out. It may be
10 that there is some net benefit relative to some other
11 options. We don't know that. This gives us time to
12 figure that out.

13 The next is about fuel cells and distributed
14 generation. This is something that's come up a couple of
15 times. If there -- again, if there's a net benefit from
16 doing this, then we need to account for that. And I
17 believe that staff has figured out something on those --
18 along those lines. Thank you for resolving that issue as
19 well.

20 The final one -- my final comment is a little
21 more complicated. And this is regarding the PG&E and
22 Panoche contract. And how they fit into the last two
23 legacy contracts that we've had. We had over 20, I think,
24 when we started this process. We're down to two, and we
25 really want to get rid of these.

1 AB 32 -- I was in the Legislature when AB 32
2 passed. That's how long ago --

3 (Laughter.)

4 BOARD MEMBER DE LA TORRE: -- this happened.

5 But I want to comment on the nature of that
6 particular contract, separate from the other one, and my
7 belief that it was a very different circumstance than what
8 I was led to believe previously.

9 It is true that the power purchase agreement
10 predated AB 32 chronologically, but it did foresee a
11 possible policy change, and does include a change-in-law
12 provision in which Panoche agreed to take on the risk of
13 future changes in the law. This included the
14 responsibility for, and I quote, "For procuring and
15 maintaining, at its expense, all governmental approvals
16 and emissions credits required for operation of the units
17 throughout the service term". That's very troubling to
18 me.

19 And then to find out that this was litigated.
20 Panoche and PG&E entered into arbitration, and then
21 litigation over the meaning of that power purchase
22 agreement language. Arbitrators concluded that, number
23 one, Panoche agreed to comply with AB 32 and the
24 Cap-and-Trade Regulations through that language I just
25 read, namely assume the costs of GHG compliance.

1 Number two, that the power purchase agreement
2 provides a payment mechanism for GHG costs. In the
3 arbitrator's view, Panoche agreed to take on these costs
4 as part of the overall price negotiations of the contract.

5 Panoche sought court review of that arbitration
6 decision. That process ended at the appeals court, which
7 affirmed the arbitrator's decision against Panoche.

8 While they noted the decisions on contract
9 interpretation do not behind CARB's regulatory decision on
10 whether Panoche qualifies for transition assistance, what
11 we're doing here today, nevertheless, the appellate court
12 stated that, "The interpretation of the power purchase
13 agreement was certainly relevant to the public..." -- I'm
14 quote here -- "...relevant to the public policy issues
15 before CARB". They certainly are relevant to me.

16 When you have a contract that says that, and then
17 you litigate it, and it's -- that language is affirmed,
18 that pretty tells you, you know, that that's the
19 situation, and we need to take that into account.

20 I'm not saying right now that we shouldn't
21 proceed with staff's recommendation. What I am saying is
22 even more so than the other - and my disdain for these
23 legacy contracts has been very clear - this one has to be
24 resolved as soon as possible. It should not be come back
25 to us.

1 To the two parties, that -- this needs to be
2 resolved. If I had known this on previous occasions, I
3 probably would be much more aggressive than I am today. I
4 just wanted to put that into the record to make it clear
5 to my colleagues what the circumstances that I didn't know
6 until the very recently.

7 Thank you.

8 CHAIR NICHOLS: Okay.

9 I think that was a clear comment. I'm not sure
10 if the staff is prepared to add anything at this point.
11 May be not. But if you have anything constructive to add,
12 you should.

13 (Laughter.)

14 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
15 SAHOTA: I would just say that we will continue to
16 facilitate discussions between the two counterparties.
17 We've definitely heard Board Member De La Torre's thoughts
18 on the matter. We know that there are several Board
19 members that have been engaged on this discussion. And so
20 we'll reach out to better understand what their thoughts
21 are after the Board hearing before we go back and meet
22 with them again.

23 CHAIR NICHOLS: Yeah. Well, there is -- there is
24 a long history on this. And several of us have spent lots
25 of time, including Ms. Berg, and I believe Senator Florez,

1 and I personally at different times all were kind of
2 dragged into this one. And it seemed -- always seemed as
3 though we were just on the verge of making progress, and
4 then something new came up. And obviously, it's been
5 dragging on for a very long time.

6 My main concern, I think it would -- I think
7 others would agree is not so much as between these two
8 parties, as to -- as it is about what's happening in the
9 air. You know, what people are actually experiencing as a
10 result of this controversy. Otherwise, it's just two
11 private entities, you know, having a dispute which is
12 about money, which is -- which happens, you know, and not
13 necessarily our job to resolve.

14 But I would really like to be convinced that we
15 weren't doing anything that would either jeopardize future
16 possibilities for good projects or that was -- or that was
17 actually going to harm the people who have to breathe the
18 air from this thing.

19 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
20 SAHOTA: So on this particular power plant, there were
21 concerns raised that because the carbon cost isn't
22 embedded in the dispatch, that the power plant was being
23 dispatched out of turn related to other --

24 CHAIR NICHOLS: Preferentially, yeah.

25 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

1 SAHOTA: -- natural gas plants.

2 CHAIR NICHOLS: Right.

3 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

4 SAHOTA: We know that this week there was an offer made by
5 the utility to include that carbon price in that dispatch,
6 so that it would be dispatched equivalent an amount to
7 other natural gas plants. We see that as a very positive
8 step. And that should eliminate the concern that there is
9 some disproportionate impact from this power plant,
10 because of the way the contract is structured. So that --
11 that offer to add that price back in, or into the dispatch
12 decision, is something that we have been asking for as the
13 staff the entire time that we've been working through this
14 with both parties. And we're hopeful that that -- that
15 offer will be well received and considered by the
16 counterparty

17 CHAIR NICHOLS: Well, but again to Mr. De La
18 Torre's point, if it isn't -- if it isn't accepted and
19 this matter isn't settled, maybe we need to find a way to
20 take action to implement that particular provision
21 regardless.

22 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF

23 SAHOTA: We can -- we can certainly look into that. It's
24 not clear to me off the top of my head what that would
25 look like given the way the regulation is structured.

1 CHAIR NICHOLS: You mean, with our incredible
2 power over electricity prices --

3 (Laughter.)

4 CHAIR NICHOLS: -- we can't just make that
5 happen.

6 I'm being facetious.

7 Okay. I really would suggest though that you
8 take another look at what ARB's potential authority in
9 this area is, because it's clear that our cajoling and
10 other efforts to do something, you know, to move this
11 along have not quite been successful.

12 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
13 SAHOTA: Yeah. I would just add that on the point about
14 adding that carbon dispatch price back in, we only need to
15 work with the utility on that, and they have shown that
16 they are willing to do that.

17 CHAIR NICHOLS: Yes.

18 INDUSTRIAL STRATEGIES ASSISTANT DIVISION CHIEF
19 SAHOTA: So that's a good sign.

20 CHAIR NICHOLS: Right. And so maybe that could
21 just be done regardless.

22 All right. Well to be continued unfortunately.
23 But you can see that there are quite a number of us who
24 are very interested in this and know more than we really
25 wish we did about the history. So maybe you could at

1 least give us a report, not at a -- not waiting for the
2 next Board meeting but just an update on what happens,
3 what the next round it.

4 EXECUTIVE OFFICER COREY: We will.

5 CHAIR NICHOLS: Thank you. All right. Are we
6 ready to proceed to vote on these two resolutions?

7 ASSEMBLY MEMBER GARCIA: Madam Chair.

8 CHIEF COUNSEL PETER: Madam Chair. I'm sorry.

9 CHAIR NICHOLS: Who? What? Where? I can't see.
10 Hi.

11 CHIEF COUNSEL PETER: Hi.

12 (Laughter.)

13 CHIEF COUNSEL PETER: I was going to defer to
14 other Board members.

15 CHAIR NICHOLS: Let's hear from Mr. Garcia first
16 and then we'll hear from our legal counsel.

17 ASSEMBLY MEMBER GARCIA: Since we're taking both
18 items up, I did have some comments on Resolution Item 7.

19 CHAIR NICHOLS: Thank you. Sure.

20 ASSEMBLY MEMBER GARCIA: And really I know we're
21 not debating the issue of overallocation here of
22 allowances. But just is there something that we could be
23 doing throughout 2019 from a more proactive standpoint to
24 be prepared in the case that we get to a place in 2020
25 where we find to be that our projections and the direction

1 that we're going in weren't quite there, that wouldn't
2 require us to have a whole other year-long process to
3 determine where we may be going?

4 And so I'm just wondering if, you know, we could
5 incorporate something beyond just a stakeholder meeting,
6 something that is continuously looking at this
7 conversation of the overallocation? And if, in fact,
8 we're looking to not be on point, then we can make some
9 modifications and be prepared

10 CHAIR NICHOLS: Right. So the only thing I would
11 add to that is I understand that the staff is kind of on a
12 year-at-a-time plan for updating the program, even as
13 we're looking to the future and the Scoping Plan. And I
14 do think that this issue, which continues to come back,
15 deserves to be continuously monitored, as you're
16 suggesting, because it seems to be one that just -- it
17 obviously -- it sticks in the craw of people who look at
18 this program and see that there are allowances out there
19 that are going to be, or could be, potentially hoarded in
20 a way that would undermined our ability to get to our
21 results.

22 So, Mr. Corey or Ms. Sahota, maybe you can
23 address that issue in terms of your next -- your next
24 reporting to us. I don't know if there's an additional
25 mechanism that we should be trying to incorporate here.

1 But it seems to me that it's -- it just is a -- it hasn't
2 gone -- it hasn't been put to rest, let's put it that way,
3 and it needs to be further considered somehow.

4 EXECUTIVE OFFICER COREY: Right. And for all the
5 reasons both Assembly Member Garcia and you noted, Chair,
6 it hasn't been put to rest, because it really is -- we're
7 just at the start of the third compliance period. And
8 really, this question is about what is the allowance --
9 are there extra allowances at the end of that third
10 compliance period?

11 And it becomes one of is there a recession during
12 that period, is there economic growth, which has a direct
13 bearing. What our plan is, Assembly Member and Board
14 Members, is next year to really have that discussion in a
15 public setting in terms of methods for evaluating, you
16 know, oversupply. What do you look at? What are the
17 indicators you consider for it? Have a full-on public
18 discussion of methodologies, potential approaches to
19 really -- and continue to track, just as you're saying
20 Chair.

21 We'll report back to the Board the results of
22 that assessment. And I expect to write a short written
23 report in terms of our assessment of options, continue to
24 track the allowance supply issue. So we are positioned,
25 in the event that this is an issue, to respond and deal

1 with it accordingly. So what I expect that analysis to be
2 is the kind of elements, metrics you'd look at, as well as
3 potential options for responding.

4 CHAIR NICHOLS: I think that would be helpful.

5 Any other Board member comments?

6 If not, we could proceed to a vote.

7 BOARD MEMBER TAKVORIAN: Can I just ask what the
8 timeline on that would be? Because it seems like it's
9 very compressed in terms of being able to identify that as
10 a potential issue, which I know some have already started
11 to project, and how we would make an adjustment in our
12 course in order to accommodate for that.

13 EXECUTIVE OFFICER COREY: Well, a few points that
14 are embedded in your question. One element is the process
15 that I just talked about. That's 2019. But to get the --
16 some base work done, to give folks an opportunity, that's
17 probably mid-2019 we have that initial discussion, a paper
18 follows, a report back to the Board, and then ongoing
19 monitoring of where the allowances stand under the
20 program.

21 And then ultimately, at the end of the third
22 compliance period, that's really the ultimate question of
23 where we actually are, and then we're no longer in the
24 world of speculation. You know, many are speculating on
25 where this is going to be in post-2020.

1 So the whole objective of what I'm talking about
2 is have a game plan in place in terms of methods that we
3 carefully have discussed with stakeholders, as well as
4 ongoing monitoring, which the Board will hear about at
5 least annually, if not more frequently.

6 BOARD MEMBER TAKVORIAN: So some sense of what
7 the options would be by the end of 2019 to --

8 EXECUTIVE OFFICER COREY: (Nods head.)

9 BOARD MEMBER TAKVORIAN: Okay. Thanks.

10 CHAIR NICHOLS: Additional comments/questions?

11 All right. Now, we hear from our attorney.

12 CHIEF COUNSEL PETER: Thank you. Madam Chair,
13 the Legal Office would like to add something to the
14 record. Ben Carrier will do so now.

15 ATTORNEY CARRIER: Yes. For the record, for CEQA
16 purposes, no new substantive issues have been raised
17 today. We've previously received and considered all
18 comments heard today.

19 That is all.

20 CHAIR NICHOLS: Thank you. That is absolutely
21 mandatory. Appreciate it.

22 All right. I think we can just do this on a
23 voice vote then. At least, let's try it that way. All
24 those in favor of adopting the two resolutions that are
25 before us on Cap-and-Trade and Mandatory Reporting, please

1 signify by saying aye?

2 (Unanimous aye vote.)

3 CHAIR NICHOLS: Opposition, opposed, any?

4 Any abstentions?

5 All right. We've done it.

6 Thank you very much. And we have one more
7 important hearing item. It will take a moment to shift
8 personnel. I really hate this arrangement. Can we see if
9 the court reporter would like a break at this point.

10 Not necessary.

11 Let's take a five minute break then. Thank yo.

12 (Off record: 3:09 p.m.)

13 (Thereupon a recess was taken.)

14 (On record: 3:15 p.m.)

15 VICE CHAIR BERG: I'm going to go ahead and bring
16 everybody back to order and open up the next and last
17 agenda item. It is number 18-10-4, the PM10 SIP for
18 Imperial County.

19 Imperial county is designated as a serious
20 nonattainment area for PM10. Today, we will hear from
21 staff on the district's PM10 plan and other efforts in the
22 Imperial County, as well as Mexico to reduce particulate
23 emissions.

24 Mr. Corey, will you please introduce this item?

25 (Thereupon an overhead presentation was

1 presented as follows.)

2 EXECUTIVE OFFICER COREY: Yes. Thanks, Vice
3 Chair Berg. So today, staff will present for Board
4 consideration the Imperial County PM10 maintenance plan,
5 along with an update on other planning efforts in the
6 border region. Despite the air quality challenges posed
7 by Imperial County's desert environment, and its location
8 bordering the City of Mexicali, the combined efforts of
9 the United States and Mexican federal, State, and local
10 programs have resulted in air quality improvements in the
11 region.

12 The PM10 maintenance plan being considered today
13 also includes a request to the United States Environmental
14 Protection Agency to redesignate -- redesignate the
15 attainment -- or the area attainment for PM -- for the
16 PM10 standard.

17 And as part of today's item, staff will also
18 provide the Board with an update on the Imperial County
19 Mexicali Air Quality Workplan. This plan was discussed
20 during the May Board hearing earlier this year when the
21 Board considered Imperial County's plan for the annual
22 PM2.5 standard. And through collaboration with government
23 agencies, and civic groups in Imperial County and Mexico,
24 progress is underway to improve air quality and increase
25 awareness of air quality pollution on both sides of the

1 border. But as you'll hear, more clearly needs to be
2 done.

3 I'll now ask Elizabeth Melgoza of the Air Quality
4 Planning and Science Division to give the staff
5 presentation.

6 Elizabeth

7 AIR POLLUTION SPECIALIST MELGOZA: Good
8 afternoon, Vice Chair Berg and members of the Board.
9 Today, I will present the 2018 maintenance plan and
10 redesignation request for Imperial County that addresses
11 the 24-hour PM10 standard.

12 --o0o--

13 AIR POLLUTION SPECIALIST MELGOZA: I will cover
14 the requirements of the maintenance plan and redesignation
15 request and how the district has met these requirements
16 under the Clean Air Act, as well as providing the Board
17 with an update on the draft Imperial County-Mexicali air
18 quality workplan. So let's begin with an overview of the
19 Imperial County PM10 nonattainment area.

20 --o0o--

21 AIR POLLUTION SPECIALIST MELGOZA: Imperial
22 County is located in the far southeastern corner of
23 California. As shown in the photo, most of Imperial
24 County's population is located in the central portion of
25 the county. The county is a dry desert area, much of it

1 below sea level and experiences mild and dry winters with
2 extremely hot summers. On average, the county receives
3 less than three inches of rain per year.

4 Due to the arid desert nature of the region, PM10
5 emissions are dominated by wind-blown dust. The amount of
6 dust in the area significantly increases during natural
7 high-wind dust events, which occur throughout the year.
8 One potential source of dust outside the scope of this
9 maintenance plan is the Salton Sea. As the water level of
10 the Salton Sea recedes, it will become increasingly
11 important that CARB and other agencies continue mitigating
12 potential emissions from the exposed lakebed.

13 Next, I will discuss the Clean Air Act
14 requirements for a maintenance plan and redesignation
15 request.

16 --o0o--

17 AIR POLLUTION SPECIALIST MELGOZA: The Clean Air
18 Act requires that a maintenance plan includes elements
19 listed in the slide.

20 The Imperial County Maintenance Plan includes a
21 2016 attainment emission inventory, and a demonstration
22 that Imperial County will continue to meet the 24-hour
23 PM10 standard in 2030. CARB and the district commit to
24 continue monitoring and tracking PM10 emissions to ensure
25 that the standard is maintained in the future.

1 In the event that the area experiences any
2 violations of the PM10 standard following redesignation,
3 the district will also implement a contingency plan to
4 ensure that contingency measures are adopted once they are
5 triggered. The district plan demonstrates that the area
6 attain the PM10 standard in 2016 with the exclusion of
7 exceptional events.

8 --oOo--

9 AIR POLLUTION SPECIALIST MELGOZA: Since we in
10 Sacramento do not experience wind-blown dust events, I
11 included this image that was taken during last month's
12 Board hearing as a comparison to better understand the
13 concept of an exceptional event.

14 As you remember, last month, the Butte County
15 fire occurred, and the air quality in Sacramento and other
16 surrounding regions was hazardous. This event resulted in
17 very poor air quality for our region for close to two
18 weeks. This is an exceptional event.

19 Air districts and CARB educated and raised
20 awareness of the poor air quality during these days, in
21 hopes to reduce people's exposure to the harmful levels of
22 smoke. Similar to the event that we experienced last
23 month in Imperial County, high-wind dust exceptional
24 events can lead to unhealthy air quality.

25 During these events, winds can reach up to 50

1 miles per hour, and controls in place are overwhelmed.
2 The Clean Air Act allows for the exclusion of these
3 exceptional events, so as not to penalize areas for
4 sources outside of their control.

5 CARB worked closely with the district and U.S.
6 EPA on analyzing the events that occurred during 2014
7 through 2016 to ensure that they meet U.S. EPA's
8 exceptional event requirements.

9 --o0o--

10 AIR POLLUTION SPECIALIST MELGOZA: All of the
11 exceptional events as part of this maintenance plan have
12 gone through a thorough review by CARB staff. The events
13 must also go through a public process before being sent to
14 U.S. EPA for evaluation. With approval from U.S. EPA,
15 they will be excluded from the area's attainment
16 determination, and Imperial County will have demonstrated
17 attainment of the 24-hour PM10 standard.

18 CARB staff and the district have tracked
19 exceedances that have occurred since 2016, and are closely
20 monitoring any potential exceedances of the standard in
21 2017 and 2018.

22 While exceedances have occurred in recent months,
23 a preliminary evaluation of the days over the standard
24 indicates that Imperial still meets the standard.
25 Historically, the district has evaluated exceedances of

1 the PM10 standard on an annual basis. As part of this
2 plan, the district has agreed to assess air quality data
3 every quarter to allow for a quicker evaluation of the
4 exceedances.

5 This evaluation process will include CARB staff
6 and U.S. EPA to stay on top of determining if the area
7 remains in attainment of the 24-hour PM10 standard.

8 --o0o--

9 AIR POLLUTION SPECIALIST MELGOZA: As explained
10 earlier, public education and awareness are necessary so
11 residents can limit their exposure when the air quality is
12 poor. To protect the public's health during these natural
13 high-wind events, the district initiates an exceptional
14 event mitigation plan, which includes increasing public
15 awareness during these events, and steps individuals may
16 take to reduce exposure.

17 To further increase awareness and provide
18 notification of air quality in the region, a website and
19 mobile application for Imperial County and Mexicali has
20 been established to provide the community with real-time
21 air quality data, alerts, and forecasts. The district
22 also utilizes numerous other avenues to make the public
23 aware of the air quality, such as broadcasting alerts on
24 marquees, radio, and television stations.

25 The overall purpose of these efforts is to enable

1 residents in the county to make informed choices to reduce
2 their exposure when air quality is poor.

3 --o0o--

4 AIR POLLUTION SPECIALIST MELGOZA: A key
5 responsibility for an air pollution control district is to
6 ensure they are doing all that they can do to reduce
7 emissions in the region, and protect the public health of
8 its residents. Many efforts are underway to reduce the
9 dust impact in Imperial County. Some of the efforts are
10 highlighted here.

11 Beyond providing the best available controls for
12 dust sources, the district is providing upgrade filtration
13 systems at schools, researching how to further reduce dust
14 from certain sources of concern, and paving unpaved lots
15 at schools.

16 --o0o--

17 AIR POLLUTION SPECIALIST MELGOZA: So pulling it
18 all together. CARB staff has reviewed the maintenance
19 plan redesignation request and exceptional events, and
20 agrees that the plan meets all applicable Act
21 requirements. Although the exceptional events can be
22 excluded from an area's attainment status, if they are
23 approved by U.S. EPA, that does not mean to imply that the
24 area has clean air quality, and therefore there are no
25 impacts to the public.

1 We recognize that although the Act requirements
2 are met in this plan, these events impact residents in
3 Imperial County, including AB 617 communities, and more
4 needs to be done to reduce the PM10 levels in the region.

5 --o0o--

6 AIR POLLUTION SPECIALIST MELGOZA: Now, I would
7 like to shift the focus of the presentation to the
8 Imperial County-Mexicali Air Quality Workplan. The
9 workplan is not part of today's Board action on the
10 maintenance plan.

11 Last May, the Board directed staff to begin
12 developing a workplan with our partner agencies in
13 Imperial County and Mexico.

14 --o0o--

15 AIR POLLUTION SPECIALIST MELGOZA: As you
16 remember at the May hearing, we brought the Imperial
17 County annual PM2.5 SIP to the Board for consideration.
18 During that hearing, the Board acknowledged that emissions
19 in Mexico do impact residents in Imperial County. The
20 Board directed staff to develop a workplan to address the
21 air quality issues in the border region, and to turn some
22 of the ideas to reduce emissions in the border region into
23 actions.

24 --o0o--

25 AIR POLLUTION SPECIALIST MELGOZA: After the May

1 hearing, staff reached out to the Border Unit of CalEPA to
2 compile a list of agencies, industry, and community groups
3 to include in the work group to provide input into the
4 workplan. The work group members were comprised of
5 stakeholders from federal, State, local, and community
6 groups on both sides of the border, and additional members
7 were added as the meetings progressed.

8 In Baja California, Mexico, the municipality of
9 Mexicali and the State of Baja California Environmental
10 Protection Agencies contributed a great deal of effort and
11 knowledge to the workplan. The relationship building with
12 our counterparts in Mexico as part of this process has
13 opened up additional avenues of communication, and
14 potential measures to reduce emissions in the border
15 region.

16 --o0o--

17 AIR POLLUTION SPECIALIST MELGOZA: The workplan
18 is a living document, which lists priority actions and
19 recommendations to improve air quality in the border
20 region. The goal of the workplan is to foster ongoing
21 collaboration and solution building so all residents in
22 this region can breathe cleaner air.

23 --o0o--

24 AIR POLLUTION SPECIALIST MELGOZA: Since May, we
25 have had four work group meetings in Calexico to discuss

1 the priorities to include in this workplan. The workplan
2 was formed from the bottom up. The workgroup identified
3 priority areas of concern and more focused discussion was
4 used to construct the workplan. A draft workplan was sent
5 to the workgroup members for review in October.

6 The draft final plan located on our border
7 webpage incorporates the comments received from the work
8 group. It is important to continue the workgroup meetings
9 to ensure that the workplan actions and recommendations
10 are carried out to reduce emissions in the border region.

11 --o0o--

12 AIR POLLUTION SPECIALIST MELGOZA: This slide
13 displays the workplan actions that have been initiated
14 since May. Many advancements have been made in Mexicali
15 over the past few months to increase the public education
16 and awareness of air quality, enhance the PM monitoring
17 network, reduce the number of unpaved roads, and improve
18 the emission inventories for Baja California, Mexico.

19 To increase the awareness of air quality in
20 Mexicali with support from U.S. EPA, we were able to add
21 Mexicali to the alerts and forecasting contract that has
22 been in place for Imperial. Residents in Mexicali will
23 now be able to get air quality alerts and forecasts for
24 PM2.5, PM10, and ozone via email, the web, and a mobile
25 app.

1 An updated winter media campaign was jointly
2 developed by the district and Mexicali to increase
3 education and awareness of issues related to air quality,
4 including the consequences of open burning and the fines
5 associated with such burning in Mexicali.

6 Just recently, the Environmental Protection
7 Office for the City of Mexicali and CARB established an
8 agreement that involves expanding the monitoring network
9 in Mexicali. The current network is inadequate for the
10 size and population of the city. CARB is loaning the City
11 of Mexicali 50 purple air sensors to enhance their
12 monitoring capability and to be used as an enforcement
13 tool. The city will share quarterly inspection reports of
14 their findings with CARB.

15 CARB is also working to reestablish regulatory
16 PM2.5 monitoring at two sites in Mexicali. Two of the
17 purple air monitors will be co-located with the regulatory
18 monitors so we can compare their instrument's performance.

19 The City of Mexicali also allocated \$5 million to
20 pave 15 miles of unpaved roads in 43 colonias of Mexicali.
21 The paving projects will begin in 2019.

22 Lastly, a contract to improve the emission
23 estimates for Baja California started. As reported in the
24 Desert Sun last week, many sources are not included in the
25 latest emission inventory for Mexicali. And this contract

1 will update and improve the emission estimates. These
2 accomplishments demonstrate that progress has occurred
3 since the workplan process has started. However, we are
4 only beginning.

5 --o0o--

6 AIR POLLUTION SPECIALIST MELGOZA: This slide
7 highlights some of the near-term actions and long-term
8 recommendations that we will be pursuing to improve air
9 quality in the border region. In the near term, new staff
10 at the district will focus on the border, the Salton Sea,
11 and environmental justice efforts, and increasing and
12 awareness and education through avenues such as social
13 media.

14 CARB staff will continue to work with the
15 district and others to evaluate the district's dust
16 control rules and how these rules can be strengthened for
17 sources of PM10 in the area, such as Off-Highway Vehicles
18 and the Salton Sea.

19 The district's agricultural burn policies will be
20 updated to allow prioritization of smaller acreage burns
21 and to increase the buffer zone around special areas, such
22 as schools and residential areas. In addition, CARB's
23 Enforcement Division is evaluating the district's
24 enforcement policies to assess how their enforcement
25 protocols might be strengthened, and how they compared to

1 other similar air districts in California.

2 For the long-term recommendations, more
3 discussion is needed to identify a path forward. Imperial
4 County has a change of ownership smog program. And we
5 think the county should volunteer to establish a basic
6 program in which vehicles would need to be smogged every
7 two years.

8 Although Imperial County is not required to
9 implement such a program, we believe that considering the
10 buildup of emissions from idling vehicles at the two
11 border ports of entry in Calexico, it is important to make
12 sure residents in Imperial County are not driving vehicles
13 that are further adding to the emissions in the region.

14 We also recommend further investigation of the
15 emissions at the Calexico east port of entry by using
16 mobile source emission evaluation technologies.

17 It is important to remember that CARB does not
18 have jurisdiction in Mexico. And aside from efforts we
19 can directly help with, additional changes would be needed
20 within the government and legislation to make these
21 recommendations a reality. In Mexico, the Vehicle
22 Verification Program, which is what we refer to as the
23 Smog Program, is to be completed by residents every year.

24 However, the participation rate is low, at only
25 30 percent for Mexicali. Although the environmental law

1 in Mexicali establishes that all vehicles must be smogged
2 since 2012 when the program was implemented, there has
3 been no enforcement of the requirement, because there are
4 no penalties associated with noncompliance. We recommend
5 that fees are added to the vehicle verification program
6 for noncompliance.

7 And lastly, we recommend that the Government of
8 Mexico establish a rule to control and permit agricultural
9 burning.

10 --o0o--

11 AIR POLLUTION SPECIALIST MELGOZA: This slide
12 displays the current PM10 monitoring network in Imperial
13 County. The yellow dots on the graph make up the IVAN
14 Network, which is comprised of 40 air monitors that
15 measure both PM2.5 and PM10. This network was developed
16 through a partnership between Comite Civico Del Valle, the
17 California Environmental Health Tracking Program, and the
18 University of Washington's School of Public Health.

19 The green dots on the graph are the regulatory
20 PM10 monitors that are maintained by the district and
21 CARB. This slide demonstrates that a robust PM10
22 monitoring network is in place in Imperial County.

23 Mexicali is shown in the highlighted area on the
24 map, and you will be hearing more about the plans for
25 expanding the monitoring network in Mexicali following my

1 presentation.

2 --o0o--

3 AIR POLLUTION SPECIALIST MELGOZA: In closing,
4 staff determined that the Imperial County PM10 Maintenance
5 Plan and redesignation request meets all applicable Clean
6 Air Act requirements and recommends approval of the plan.

7 At the same time, since local emission sources
8 within Imperial County still contribute to unhealthy
9 levels of PM10, CARB will continue to work with the
10 district to identify additional strategies to reduce local
11 emissions and thereby improve public health.

12 Staff recommends that the Board approve the
13 Imperial County PM10 plan as a revision to the California
14 SIP for transmittal to U.S. EPA.

15 CARB staff will continue to work with the
16 district, CalEPA, U.S. EPA, the border community, and our
17 counterparts in Mexico to improve air quality in the
18 border region. We also encourage new members to join the
19 work group. This concludes my presentation. I would now
20 like to invite Mr. Luis Flores who is the Director of
21 Environmental Protection for the 22nd City Council of
22 Mexicali, Baja California to discuss what his agency is
23 doing to improve air quality in Mexicali.

24 Luis.

25 (Thereupon an overhead presentation was

1 Presented as follows.)

2 MR. FLORES(throught interpreter): Thank you so
3 much for your attention. My English is not so good. I am
4 the Director of the Environmental Agency in Mexicali. On
5 behalf of the Mayor, Mr. Sanchez, I would like to thank
6 you. And I would like to share with you what we've been
7 doing for the last 23 years.

8 I'm aware that you know that the City of Mexicali
9 is the most contaminated city in the City of Mexico and
10 also in the southern border of the United States. And the
11 reason why the air quality is so poor is because there is
12 so much contamination in the air. One of the reasons why
13 the air quality is so poor is because there is a large
14 transportation issue with heavy-duty trucks and also very
15 old trucks on the roadways. Bonfires and also tire and
16 trash fires are also contributing to these effects.

17 Also, the emissions coming from a lot of
18 factories, daily activities and many neighbors -- I'm
19 sorry, and business also on the city.

20 These conditions get worse during the wintertime,
21 because of the greenhouse conditions, because the bonfires
22 also increase in number, and there are so many festivities
23 around the end of the year. There are four times during
24 the year that are so critical and impact on the
25 environment: December the 12th, December 24, December

1 31st, and January 6th. These mispractices, the one I was
2 referring before, they increment during those days.

3 So I'm going to talk about the actions that we've
4 been implementing since the new administration started on
5 2016. One of the main actions that the administration did
6 was to forbid the use of fireworks at the sale points in
7 the city.

8 So under the program called Clean Air for
9 Mexicali, several mentions were taken among the
10 confiscation of fireworks and also fire logs. We were
11 able to -- during 2017 to confiscate 400 kilograms of
12 fireworks and also a large amount of -- 18 tons of wood
13 that would be used as fire logs.

14 Another measure we deal with working with the
15 children on elementary and middle school. We provide them
16 with documentation to bring to their house to explain
17 about the contamination to the parents.

18 --o0o--

19 MR. FLORES(throught interpreter): Among those
20 measures taken also, there was a joint work with --
21 between the community and the government. Based on that,
22 we were able to increase the fines and sanctions to the
23 people contributing to this damage to the ecosystem. The
24 fines would increase four times going up to \$850 nowadays.

25 Also, police officers were educated on these

1 measures. We're talking about 700 police officers who
2 went to this training to enforce these laws. Part of that
3 for actually on District 22 in Mexicali is the year-long
4 monitoring of the air quality. Saturday, we only count --
5 we only have one station for monitoring the air quality in
6 the whole city, and you can see the results of the
7 monitoring in the city website.

8 --o0o--

9 MR. FLORES(throught interpreter): It's
10 already -- the work site is on the slide. Although, we
11 are not in charge to work directly with the fires
12 regarding agricultural practices, we've been able to work
13 with several departments within the government. So along
14 with clean air environmental agency, we've been able to
15 establish a threshold to call into an emergency when the
16 air quality gets so poor. So based on that, we can
17 activate a system and start working against this
18 situation.

19 --o0o--

20 MR. FLORES(throught interpreter): Along with
21 other works that we've started in 2016, we are also
22 working with the forestry department. This year on 2018,
23 with the help of 800 citizens and government employees, we
24 were able to plant over 3,000 trees just to help with the
25 forestation.

1 Along with that, we also started an Educational
2 program. It's called Getting Action with the Environment.
3 So we were able to develop four commercial spots to help
4 everybody else understand. These forest development has
5 to do one with education about environment, the other one
6 with fines, and the last one was monitoring the air
7 quality. I'm glad to share that we've been working
8 jointly with EPA and CARB program.

9 And also on December the 5th of this year, the
10 mayor announced paving work throughout the city. This
11 program will imply about \$5 million. So with this work,
12 approximately 310,000 square meters will be paved --

13 --o0o--

14 MR. FLORES(throught interpreter): -- with a
15 length of about 25 kilometers, or 15 miles. That would
16 help 43 small towns, and a total of 170,000 people. This
17 program will start on January of 2019 and will conclude on
18 June of 2019. This is one of the achievements that was
19 mentioned before, and it was mentioned also with policing.

20 This is with the help of environmental agencies
21 in the United States and also with powers in Mexico.

22 --o0o--

23 MR. FLORES(throught interpreter): During 2018,
24 we've been working with EPA U.S. Region 9, CalEPA, and
25 California Air Resources and SPA in the Imperial Mexicali

1 Air Quality Workplan. So that one includes working on
2 both sides of the border, and also the creation of
3 regional air quality monitoring network.

4 As you can see in the slide, you can see those
5 big dots. Those will be the places where the sensor would
6 be placed to monitor the air quality. This collected data
7 will show us real-time what is going on with air quality
8 in Mexicali. So we will oversee what is supposed to be
9 done or what's going on. We will know the facts right
10 away.

11 We find these -- that this result will be very
12 helpful especially for academic reasons throughout the
13 region. That will be to help implement new policies on
14 air quality. So that information will be helpful for the
15 environmental agencies, as well as public health agencies.
16 But overall, all this information will be helpful to teach
17 the population about the risk of the current practices
18 that they are doing, and how they're impacting the
19 environment.

20 I would like to finish with a brief comment.

21 When we started all this along with our friends
22 in the agencies on both United States and Mexico, I think
23 that was a very wise decision, because we both saved the
24 same habitat and environment on both sides of the border.
25 And those situations have fixed both, the communities on

1 both sides in the United States and Mexico. And I think
2 that would encourage us how to work and help this effort
3 in the future.

4 Thank you so much.

5 CHAIR NICHOLS: Thank you.

6 Before you go. Excuse me, Doctor, we have
7 question.

8 MR. FLORES(through interpreter): Sure.

9 BOARD MEMBER SHERRIFFS: Thank you for your --
10 thank you for coming. Thank you for your presentation.
11 Much of what you struggle with sounds awfully familiar to
12 the San Joaquin Central Valley. And I just wondered
13 specifically has Mexicali banned fireworks in the city
14 limit, no fireworks period?

15 MR. FLORES(throught interpreter): Yes, both.
16 Actually, the use of fireworks and also the sales of
17 fireworks are prohibited now.

18 BOARD MEMBER SHERRIFFS: Okay. And also burning
19 wood prohibited in the city?

20 MR. FLORES(throught interpreter): Yes, the same.
21 That's part of the new reforms that I was referring
22 before.

23 BOARD MEMBER SHERRIFFS: Thank you.

24 MR. FLORES(through interpreter): You're welcome.

25 BOARD MEMBER SHERRIFFS: And congratulations on

1 your good work.

2 CHAIR NICHOLS: Thank you. All right. We would
3 like to hear also from the Air Pollution Control Officer
4 from Imperial County.

5 MR. DESSERT: Good afternoon, Chairman Nichols
6 and Board members. My name is Matt Dessert. I'm the Air
7 Pollution Control Officer for Imperial County.

8 Let me start by thanking you for the opportunity
9 to speak today, and state for the record that Imperial
10 County and the Air Pollution Control District are in
11 support of the CARB staff recommendation of approval of
12 the Imperial County 2018 PM10 Redesignation Request and
13 Maintenance Plan.

14 Throughout the 2018 PM10 plan development
15 process, the air district has worked with CARB, U.S. EPA
16 regulators and the community members, and all interested
17 parties to prepare and address any concerns regarding this
18 plan. We believe that our 2018 PM10 plan meets all the
19 scientific and technological requirements of the Federal
20 Clean Air Act for approvability.

21 I believe the hard work put into the 2018 PM10
22 plan is a great example of the cooperative effort by the
23 State and the local jurisdictions to efficiently and
24 effectively work towards the common goal of improving air
25 quality.

1 Also, I would like to express our support for the
2 Imperial County Mexicali air quality work prepared to
3 improve air quality at the border region. I believe that
4 a real solution to the air quality problems in Imperial
5 County can only be accomplished by working cooperatively
6 with our neighbors in Mexico.

7 And for the record, my Spanish is not that great.
8 One of my favorite words is frontera, and frontera means
9 the border. And that's what it's all about down there in
10 the Imperial Valley.

11 Over the last decade, Imperial County has put a
12 considerable amount of effort into trying to understand
13 and address the regulation and the regional air pollution
14 situations. Ongoing collaborative efforts between the
15 United States and Mexico are focused on air quality issues
16 unique to the border region, and are expected to enhance
17 progress towards improving air quality in the area.

18 These efforts include those of the
19 Imperial-Mexicali Air Quality Task Force. For a long time
20 this was called the Border 2020 Commission -- Committee,
21 supported and funded by other agencies, particularly the
22 U.S. EPA. This group is made up of the United States and
23 Mexican government agencies, including U.S. EPA, CARB, and
24 Mexico, federal, State, and local environmental agencies,
25 such as SEMARNAT, the State Department of Ecology, and

1 local government. Other members include local residents
2 and academics from both sides of the border.

3 Imperial-Mexicali Air Quality Task Force provides
4 the appropriate forum to implement and follow up on
5 recommendations in the Imperial County-Mexicali Air
6 Quality Workplan. The Air Quality Workplan, along with
7 the implementation of the Imperial County Community Air
8 Protection programs recently approved by the Board under
9 Assembly 617 will lead to many health benefits for
10 Imperial County and Mexicali residents.

11 At this time, I would like to publicly thank CARB
12 staff, including Michael Benjamin, Sylvia Vanderspek,
13 Webster Tasat, Elizabeth Melgoza, and Theresa Najita for
14 all their long and hard work and efforts in assisting the
15 air district in developing and approval of the plan.

16 I'd also like to thank our consultants from Emily
17 Weissinger, who you'll hear from shortly, staff members at
18 the APCD Reyes Romero, who's here today, and Monica
19 Soucier. Again, I've got to go back and particularly
20 point out the assistance, the drive, the spirit of the
21 CARB staff member Elizabeth Melgoza and her efforts on
22 both the PM10 SIP, PM2.5 SIP, and now this border activity
23 and border plan.

24 In closing again, I would like to stress that my
25 board and the air district support the CARB staff

1 recommendations and urge approval of the Imperial County
2 2018 designation request and maintenance plan, knowing
3 that we stand behind our commitment to follow up on the
4 recommendations in the Imperial County-Mexicali air
5 quality work.

6 Additionally, there's just so many activities
7 going on. It's been a truly an awakening down there in
8 the Imperial Valley. The Imperial Valley is on
9 Sacramento's radar now. I have a past background working
10 with an irrigation district that struggled to tell their
11 story, and point out issues at the Salton Sea. But by
12 far, the 617 language from Assembly Garcia, CalEPA efforts
13 on some -- on inspections and reports that took place this
14 past year, all the efforts on the SIP, and now this
15 activity and the air monitors is really -- we have the
16 focus and attention of Sacramento.

17 And being a resident down there, oftentimes we
18 struggle, we wonder, well how do we get -- how do we tell
19 our story? How do we get the attention? And I think
20 we've really done that. We've done it through our air
21 quality work.

22 There's a lot of other works going on on
23 off-roading, taking a look at no trespassing enforcement
24 codes, making sure they align together with the different
25 agencies that need to enforce them, making sure the

1 signage is right, taking a look at our surrounding areas,
2 ag burning, other activities that take place. And I'd be
3 remiss if I didn't mention the Salton Sea. All these good
4 works at the border and going down towards the border and
5 in the communities. We can't take our eyes off that
6 Salton Sea as we continue to work on that.

7 We have a robust community involvement. Comite
8 Civico has raised the bar on these enlightenment on how to
9 do this EJ work. That always oftentimes isn't easy
10 enlightenment. And some of you, and many of the ARB
11 staff, will know that there's not a loss of spirit between
12 Mr. Olmedo and I when we're working on these activities.

13 But I thank you for your time today, and I look
14 forward to this passing today.

15 CHAIR NICHOLS: Thank you very much. We have two
16 witnesses who've signed up to speak on this item. Your
17 names are up on the Board, so welcome.

18 MS. WEISSINGER: Hi. Good afternoon, Madam Chair
19 and members of the Board. My name is Emily Weissinger.
20 And I am a senior managing consultant with Ramboll.
21 Ramboll has assisted Imperial County APCD in preparation
22 of the redesignation request and maintenance plan before
23 you today.

24 Ramboll's main role was to develop the technical
25 and regulatory required elements of the plan in close

1 consultation with CARB and EPA. Today, I will give you a
2 brief summary of the required elements and key takeaways
3 from this document.

4 The Imperial Valley PM10 planning area is
5 currently designated as a serious nonattainment area for
6 the federal 24-hour PM10 standard or NAAQS. The
7 redesignation request demonstrates that the planning area
8 did not violate the 24 PM NAAQS for the period of 2014
9 through 2016 when accounting for exceptional events, as
10 allowed under the Federal Clean Air Act.

11 The maintenance plan demonstrates how continued
12 attainment of the NAAQS will be achieved over the next
13 decade. The document before you includes all required
14 technical and regulatory elements to support this request
15 and plan. One of the required elements is the
16 documentation and analysis of air quality monitoring data
17 from the county's five PM10 monitoring stations.

18 Although the standard level was exceeded on
19 certain days during 2014 through 2016, meteorological and
20 other required analyses of these days demonstrate that
21 they are exceptional events resulting from elevated wind
22 speeds over natural and controlled anthropogenic fugitive
23 dust sources.

24 Each of these exceptional events have been
25 thoroughly documented by the Imperial County APCD,

1 released for public comment, and presented to CARB for a
2 review. Regardless of exceptional events, Imperial County
3 has achieved permanent and enforceable reductions in PM10
4 emissions that can be mainly attributed to the adoption
5 and enforcement of the county's regulation 8 fugitive dust
6 rules.

7 In 2013, EPA determined that these rules
8 represent Best Available Control Measures, or BACM, for
9 significant sources of PM10 and Imperial County. This
10 plan includes the latest rule stringency assessment.

11 The area's emission reductions are documented in
12 its emission inventory, and can be seen in the steady
13 decline in ambient PM10 levels from 2000 through 2016.
14 This decrease has occurred despite an increase in the
15 county's population and an irregular rainfall trend in
16 recent years.

17 The maintenance plan shows that the Imperial
18 County emission inventory is projected to remain fairly
19 constant over the maintenance period through 2030.
20 However, in the event of a potential violation of the PM10
21 NAAQS, the contingency plan will go into effect,
22 triggering pre-determined steps to implement new or
23 expanded control measures.

24 In summary, this plan acknowledges the tremendous
25 progress that has been made in Imperial County, reflects

1 extensive collaboration among the air agencies, and
2 includes the proper safeguards to ensure continued
3 maintenance of the standard.

4 Thank you.

5 CHAIR NICHOLS: Thank you.

6 Mr. Olmedo.

7 MR. OLMEDO: Good afternoon. My name is Luis
8 Olmedo. I'm the Executive Director of Komite Civico Del
9 Valley.

10 And, you know, I've been privileged with being
11 able to be working on numerous capacities over the last
12 two decades in the Imperial, and I've been able to see the
13 progress that has come with working through Border 2012,
14 Border 2020, the Imperial-Mexicali Air Quality Task Force,
15 the good neighbor board, where I had the privilege to
16 serve on the previous administration at the federal level.

17 And I think that today's presentation from the
18 Mexican representatives is pretty remarkable of the work
19 that they're doing. And I think that that really is very
20 promising. One thing that I also am really pleased to
21 hear is the AQPSD folks Elizabeth had presented that low
22 cost sensors can be used for enforcement.

23 And I'd like to see that California also
24 subscribe to that approach, if we expect that low-cost
25 sensors would function well in Mexico for that purpose,

1 then I think that we can lead by example. So thank you
2 AQPSD, Elizabeth and Michael Benjamin for bringing that
3 up.

4 I have a very simple ask, because I think we're
5 really sort of at a juncture, where we can now move
6 forward beyond putting together these inventories of just
7 work that is being done. I think that we're at a point
8 that the California Air Resources Board can really take a
9 lead in identifying and assigning someone to help
10 coordinate the work that is being done here in California
11 through the Air Resources Board.

12 So, as the Air Resources Board has been doing a
13 ton of work around the border on air quality issues from
14 the AB 617 to the State implementation process, what is
15 missing is coordination between divisions at the Air
16 Resources Board, and consistent point of contact for
17 community and other partners.

18 Since Veronica, the Executive Assistant Officer,
19 for Environmental Justice has been assigned, she really
20 has demonstrated a positive benefit to communities, and
21 the Air Resources Board, having a point person at the
22 agency who can help coordinate efforts for a targeted
23 issue.

24 Air Resources Board could benefit from the
25 following -- from following that model again to create an

1 Assistant Executive Officer for Border Affairs to
2 coordinate across programs with agencies like the CalEPA
3 Border Relations Council to help Air Resources Board
4 prioritize and collaborate on actions to improve the air
5 quality in the border region.

6 I'm very actually enthusiastic. And I share the
7 enthusiasm of the Mexican representatives. And I've just
8 got to say that I also am very enthusiastic of the work
9 that the Assembly Member Eduardo Garcia has been doing in
10 playing a leadership role in bringing others at the
11 Legislature and working with other Mexican legislators to
12 expand collaboration.

13 And so I think that this -- this is really a good
14 opportunity. And hopefully, like, we can work towards
15 figuring a way to get a position to help coordinate these
16 efforts. Thank you.

17 CHAIR NICHOLS: Thank you.

18 Yes, you can come back.

19 MR. DESSERT: Yeah. Matt Dessert, Air Pollution
20 Control Officer.

21 I concur with Mr. Olmedo. This energy, this
22 focus, this emphasis, this spirit that we have right now
23 going on down in the Imperial Valley at the border, we
24 just can't simply file it away as a report and come back
25 and visit it, because we don't know when we'll be able to

1 do that.

2 We need to stay on top of that. So I totally
3 concur with Mr. Olmedo. However, I'd like to add that
4 besides the border, and the focus on the air quality and
5 emissions at the border, we can't take our eyes off that
6 Salton Sea. So let this person, if this happens, or this
7 position, where both the border and Salton Sea issues to
8 keep them fresh in everybody's minds.

9 Thank you.

10 CHAIR NICHOLS: Okay.

11 Mr. Corey, do you have any concluding remarks on
12 where we are headed from her?

13 EXECUTIVE OFFICER COREY: Well, the recognition
14 of the impact that Veronica has had on this organization,
15 and really the focus that a Assistant Executive Officer
16 for EJ has had in terms of the -- and it really came at a
17 key time, really to -- for 617 I think has been
18 tremendously influential and impactful in the
19 organization, and came at the right time.

20 The fact that Luis and some others have pointed
21 out to model, really like that idea. So there's a real
22 openness on our part now for even creating that position
23 at the level, which would really be a point person.
24 Because clearly, and as was noted, there's much work
25 that's been going on across the border for many, many

1 years. It's not a new issue, but they're clearly, I
2 think, for all the reasons noted, I think an opportunity
3 to strengthen that relationship.

4 And I think having a clear point person is
5 something that I will focus on, probably going to need
6 some assistance from some keyboard members, the Chair and
7 Assembly Member Garcia in terms of some next steps. But
8 I'm taking to heart that point and think we can map out a
9 path.

10 CHAIR NICHOLS: That would be a good way forward,
11 I think.

12 Additional questions or comments?

13 We have -- the record is closed, at this point,
14 and we're going to have a resolution, I believe, in a
15 moment.

16 Any -- Mr. Garcia.

17 ASSEMBLY MEMBER GARCIA: Thank you, Madam Chair
18 and staff for bringing this item forward. I've got to
19 tell you that this is extremely exciting to say the least.
20 In fact, far more exciting than one EV charger going into
21 Imperial County, I'll tell you, because this truly has an
22 impact on the public health of the constituents that I
23 serve. And irrespective of the other constituency that's
24 being discussed today on the southern part of the border,
25 they are our constituents in Imperial County. They are

1 what make our local economy thrive. And quite frankly,
2 they're our friends, our relatives, and our neighbors.

3 I will, for one point of reference, my parents
4 are from Mexicali. My grandparents and all of the family
5 remains there. And so this is of much significance to me.

6 Look, the suggestions that were just made by Mr.
7 Olmedo, I'd like to also support the recommendations. And
8 it sounds like forming some type of officer point person
9 to deal with border regional issues is critical, and not
10 only for this area, but that will carry on to the San
11 Diego area, as we deal with other environmental issues in
12 that region as well.

13 In fact, just this week, or yesterday, another
14 raw sewage spillage coming through to the beaches of
15 Imperial Beach and having a tremendous impact there on the
16 people who reside in that area. And so there are a lot of
17 issues that we can kind of outline in terms why a
18 coordinator position would be important for this work.

19 I just wanted to just say that I'm very grateful
20 for the Board's work, not just what's before us today, but
21 there have been a sequence of activities and events that
22 have led to this. And, you know, this last week in our
23 local paper, The Desert Sun, and you all have those links
24 in your email, there's been a series of articles that have
25 been written about the hazardous conditions that are

1 taking place on our border region. And, you know, I
2 always like to say there's absolutely no wall big enough
3 or tall enough, right, that's being asked for as we speak
4 in Washington D.C. that can address these issues that are
5 before us.

6 But our actions, right, our policy directives,
7 these types of collaborative approaches can resolve some
8 of these problems. And so super thankful to the work
9 that's being deliberated here today, and that will be
10 executed.

11 (Spoke in Spanish.)

12 ASSEMBLY MEMBER GARCIA: And I'll translate this
13 English.

14 (Spoke in Spanish)

15 ASSEMBLY MEMBER GARCIA: And so I just said that
16 two weeks ago we had the distinct pleasure of meeting with
17 Undersecretary of the Environmental Protection Agency,
18 SEMARNAT, in Mexico with the incoming administration, who
19 ever committed to enhancing, you know, the level of
20 attention to these issues on the border, the resources
21 that need to go into the enforcement.

22 It's fantastic that we're no longer selling
23 fireworks or burning wood, but there aren't any
24 individuals enforcing, you know, these rules. To the
25 extent that they can, there's a million and a half plus

1 people in Mexicali, and so with five potential, maybe six
2 inspectors doing the work in order to put this
3 enforcement.

4 And so, you know, those are the conversations
5 that took place. We've initiated discussions with
6 policymakers that represent the border region, Senadora
7 Alejandra Gastélum, who represents that area who is an
8 environmental attorney, also very interested in this
9 conversation.

10 So one of the neat things about this new
11 administration in Mexico is that they're going to be there
12 for a little while. And some of us are going to be here
13 for a little while as well, and we're able to establish
14 these partnerships to be able to execute these plans of
15 actions that are before us.

16 So I just wanted to highlight that and say,
17 again, thank you to the staff, Chair Nichols, and, of
18 course, the Board here for considering this action today.
19 And once again, just want to say thank you to our friends
20 from Mexicali who are here doing the work on the ground.

21 (Spoke in Spanish.)

22 CHAIR NICHOLS: Thank you.

23 We have, at the other end, I think Dr. Balmes and
24 then Mr. De La Torre.

25 BOARD MEMBER BALMES: First off, I wanted to

1 thank our Mexican partner in air quality for coming and
2 for working to develop the same kind of monitoring network
3 with U.S. EPA hopefully in Mexicali that's already present
4 in Imperial Valley, because of the IVAN network. So I'm
5 very supportive of that. Very supportive of what Mr.
6 Garcia just put forward. And I -- but I also want to say
7 that while I appreciate that those exceedances of the PM10
8 standard don't violate the Clean Air Act, I just want to
9 point out that the 24-hour standard for PM10 is 150
10 micrograms per meter cubed.

11 If there are 15 exceedances of 150 micrograms per
12 meeting cubed, that's a lot of particulate pollution. And
13 just to remind everybody how bad we felt with the air
14 quality due to the wildfire smoke at 150 and more, you
15 know, it's -- it may not be a violation of Clean Air Act,
16 but we need to work to try to reduce those dust exposures.
17 So I appreciate the efforts that are being made in that
18 regard.

19 Thank you.

20 CHAIR NICHOLS: Thank you.

21 BOARD MEMBER DE LA TORRE: I want to be
22 supportive of the recommendation and Assembly Member
23 Garcia's description of what's going on there. When I was
24 in the legislature, I was on the Border Legislators
25 Conference. And we -- this is everybody from California

1 to Texas on both sides of the border. And we handled
2 these kinds of issues, and we were talking to each other
3 and interacting and trying to solve these. So I think
4 it's long overdue that we have some mechanism to interact
5 with that long border that we have with Mexico and to be
6 as helpful as we can be within our restrictions to do
7 that. But I absolutely think we need to have someone here
8 who is responsible and watching all of those issues.

9 (Spoke in Spanish.)

10 CHAIR NICHOLS: Ms. Takvorian.

11 BOARD MEMBER TAKVORIAN: Thank you.

12 Let me just add my voice to support the comments
13 that Assembly Member Garcia has made, and the
14 recommendation. As I guess the other side of the -- end
15 of the border in California, anyway, I -- we experience a
16 lot of the same issues. And I think it would be great to
17 follow up on a plan that staff has developed. And we
18 really appreciate that plan to actually have
19 implementation in the way that Mr. Olmedo has suggested
20 with having someone here at CARB to be responsible for
21 border issues.

22 And I want to say that I think we need boots on
23 the ground. So I'm hoping that that -- either that person
24 or another person is actually in Imperial County, actually
25 being able to work with our colleagues in Mexicali, and

1 able to really see what's going on. We found that there
2 was a huge improvement when EPA actually formed the border
3 office and located it in San Diego. We got the first
4 hazardous waste clean up of a huge site in Tijuana as a --
5 really as a direct result of them being right there and
6 being able to do that work every day.

7 So as -- I really appreciate the work that staff
8 has done, and I know what the challenges are. So I think
9 we really need to support that work, reinforce the work
10 that you've done by really being able to implement it with
11 someone on the ground and able to work in Imperial to
12 implement that.

13 And hopefully that's a success and it will spread
14 to San Diego Tijuana as well.

15 So thank you.

16 CHAIR NICHOLS: Thank you.

17 I think these discussions are going to be
18 proceeding, but I hope that you will bring forward a
19 recommendation sooner rather than later, especially as the
20 budget process is going to be moving forward rather
21 quickly.

22 BOARD MEMBER SHERRIFFS: Supervisor Roberts
23 volunteered for that position.

24 (Laughter.)

25 CHAIR NICHOLS: No, I think he probably is not

1 looking for another full-time job at the moment.

2 I just want to add my own personal observation,
3 because in addition to all of the good work that is
4 happening among the local and State officials, I, too, had
5 an opportunity just this week in Poland to have a
6 bilateral meeting with the new Undersecretary for
7 Environment, Mr. Sanchez -- Sergio Sanchez, who has a lot
8 of experience working on air quality issues, and on both
9 sides of the border. He's a very knowledgeable
10 individual. And he made similar statements to me about
11 his commitment and the national government's commitment to
12 working on these border issues with us.

13 So I think that just reinforces the point that
14 Assembly Member Garcia made that we do have a wonderful
15 opportunity now to build something over the next few
16 years. That's really terrific.

17 So without further ado, we have a resolution in
18 front of us. Do I have a motion?

19 VICE CHAIR BERG: So moved.

20 BOARD MEMBER BALMES: Second.

21 CHAIR NICHOLS: Moved and seconded.

22 All in favor, please say aye?

23 (Unanimous aye vote.)

24 CHAIR NICHOLS: Any opposed?

25 Any abstentions?

1 Great. This is a wonderful way to end the year.
2 First day of our Board meeting of the year, not the last
3 of the meeting. Thank you for the reminder. And the day.
4 It is the end of the day, I believe.

5 We will be resuming tomorrow morning at what
6 time?

7 8:30. Okay. And thanks to all. Have a good
8 evening.

9 (Thereupon the Air Resources Board meeting
10 adjourned at 4:19 p.m.)
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C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of December, 2018.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
License No. 10063